

BLACK HAWK COUNTY, IOWA
Comprehensive Annual Financial Report
Year Ended June 30, 2012

Prepared by:
James W. Bronner, Finance Director
Board of Supervisors Office

Grant Veeder
Auditor and Staff

Rita Schmidt
Treasurer and Staff

CONTENTS

INTRODUCTION SECTION

	Page
Table of Contents	1 – 2
Transmittal Letter	3 – 7
GFOA Certificate of Achievement	8
County Officials	9
Organization Chart	10

FINANCIAL SECTION

Independent Auditor's Report	11 – 12
A. MANAGEMENT DISCUSSION AND ANALYSIS (required supplementary information)	13 – 22
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	23
Statement of Activities	24 – 25
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	26 – 27
Reconciliation of the Balance Sheet of Governmental	
Funds to the Statement of Net Assets	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	29 – 30
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances of Government Funds to the Statement of Activities	31
Proprietary Fund Financial Statements	
Statement of Net Assets	32
Statement of Revenues, Expenses, and Changes in Net Assets	33
Statement of Cash Flows	34 – 35
Fiduciary Fund Financial Statements	
Statement of Fiduciary Assets and Liabilities – Agency Funds	36
Notes to Financial Statements	37 – 54
C. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget	
and Actual, All Governmental Funds	55 – 56
Schedule of Funding Progress for the Retiree Health Plan	57
D. SUPPLEMENTARY INFORMATION	
Governmental Nonmajor Funds	
Combining Balance Sheet	58 – 59
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	60 – 61
Enterprise Nonmajor Funds	
Combining Statement of Net Assets	62
Combining Statement of Revenues, Expenses and Changes in Net Assets	63
Combining Statement of Cash Flows	64
Internal Service Funds	
Combining Statement of Net Assets	65
Combining Statement of Revenues, Expenses and Changes in Net Assets	66
Combining Statement of Cash Flows	67
Agency Funds	
Combining Schedule of Changes in Assets and Liabilities – Agency Funds	68 – 71

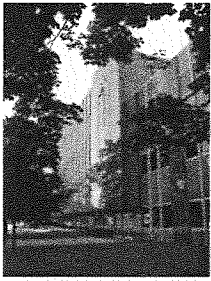
CONTENTS

STATISTICAL SECTION

Statistical Section – Contents	72
Net Assets by Component	73 - 74
Changes in Net Assets	75 - 78
Fund Balances, Governmental Funds	79 - 80
Changes in Fund Balances, Governmental Funds	81 - 82
Program Revenues by Function/Program	83 - 84
Tax Revenues by Source, Governmental Funds	85
Assessed and Taxable Value of Taxable Property	86
Principal Property Tax Payers	87
Property Tax Levies and Collections	88
Property Tax Rates per \$1,000 Taxable Valuation, All Direct and Overlapping Governments	89 - 92
Ratios of Outstanding Debt by Types	93
Ratios of General Bonded Debt Outstanding	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin Information	96 - 97
Demographic and Economic Statistics	98
Principal Employers	99
Full-time Equivalent County Government Employees by Function	100 - 101
Operating Indicators by Function	102 - 103
Capital Asset Statistics by Function	104

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	105 - 108
Schedule of Findings and Questioned Costs	109 - 110
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and the Internal Control Over Compliance in Accordance with OMB Circular A-133	111 - 112
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113 - 114



Black Hawk County Board of Supervisors

Scott Jordan
833-3076

Tom Little
833-3075

Frank Magsamen
833-3077

John Miller
833-3074

Craig White
833-3078

James W. Bronner
Finance Director

Debi Bunger
Purchasing/Asset Specialist

Marge Budensiek
Administrative Aide

December 21, 2012

Board of Supervisors and Citizens
Black Hawk County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Black Hawk County, Iowa for the fiscal year ended June 30, 2012 is hereby submitted.

Each year the County publishes a complete set of audited financial statements as part of an annual single audit to conform to the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations". The County assumes full responsibility for the completeness and reliability of the information contained in this report. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams & Company, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2012. This independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Black Hawk County

The first government of Black Hawk County, Iowa was organized August 17, 1853. It is located in the northeast part of the state. The county currently occupies 576 square miles and is the 4th most populous county in the state. The 2010 census population of 131,090 is up 2.4% from the 2000 census figure of 128,012. Population estimates show slight increases for Black Hawk County going forward. Black Hawk County is empowered to levy a property tax on both real and personal property located within its boundaries.

Black Hawk County currently operates under a five-member Board of Supervisors. Each member is elected at large to a four-year term. The Board of Supervisors is the legislative authority over Black Hawk County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Also elected to four-year terms at large are the following officials: Attorney, Auditor, Recorder, Sheriff, and Treasurer. These officials, along with department heads appointed by the Board, are responsible to administer the programs and policies adopted by the Board of Supervisors as well as the budget amount allocated to their department by the Board.

Black Hawk County provides a full range of services. These services include public safety and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, construction and maintenance of secondary roads, general administrative services and planning and zoning.

Black Hawk County is required by the State of Iowa to adopt an annual budget for the total operating expenditures of the County by function area. This is the foundation of financial planning and control for the County. The budget is prepared by fund (e.g., general, special revenue, debt), function (e.g. public safety), and department (e.g. Sheriff, Conservation). Departments can transfer resources within a department as they see fit. Transfers between departments, however, need special approval for the Board of Supervisors in the form of an amendment to the budget.

Local Economy

Black Hawk County is the fourth largest county in population in the State of Iowa. The cities of Cedar Falls and Waterloo make up just over 80% of the population with the remainder living in smaller towns, each are under 2,500 in population, and on farms.

Population since the 2000 Census figure of 128,012 had been declining slightly. Recent estimates had shown a slight increase the past few years with the 2010 population now at 131,090. At the start of fiscal year 2010, the unemployment rate averaged between 4% and 5% until October of that year when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate had been gradually falling to 5.5% in September 2010, before increasing to 6.7% in January 2011 and declining to just below 6% at the end of 2011. During the calendar year 2012, the rate peaked in January at 6% then declined to 5.5% at the end of the fiscal year in June. The most recent unemployment rate was 4.9% in October and projections show this rate to be stable continue until the end of the calendar year of 2012.

The major industries located within the County's boundaries and the primary employers from each are as follows: Farm tractor and component manufacturing – John Deere, Health care – Covenant Medical Center and Allen Memorial Hospital, Pork processing – Tyson Foods, Bath and kitchen cabinet manufacturing – Omega Cabinets Limited and Bertch Cabinets, Retail and financial service providers – Hy-Vee, Target distribution, and Wal-Mart, and Entertainment – Isle of Capri Casino.

Recently, several businesses have announced record earnings, plans for expansion, or the construction of a new business in the County. This should help overall employment within the County and provide additional capital investment as well.

Deere and Company, the largest employer in the county, recently reported its' first-ever \$3 billion year for the fiscal year ending in the fall of 2012. This is the third straight year for record earnings and the tenth straight quarter. Sales and revenues for the overall company were up 13% for the year, which translates to just over \$4 billion from 2011 levels. Deere's Waterloo operation has again been cited as a major contributor to the success of the company as the agriculture market continues to be stable. The Agriculture and Turf Division sales, which includes the locally built tractors, saw sales increase also of 13% for the year or \$470 million, while profits for the division outpaced 2011 levels by \$63 million. Deere and Company has continued to invest millions of dollars in the Cedar Valley and in the improvement of their local operations. Predictions for 2013 are for an even stronger year for the large equipment division.

Construction was completed earlier this year on the Hawkeye Community College regional truck training center. The total project cost was approximately \$4 million. The center provides hands-on training for driving large trucks, buses, motorcycles, police vehicles and numerous other vehicles. An additional \$1.38 million building was also completed that houses a virtual hospital. The virtual hospital is only the second such building in the State and assists in training individuals going into the medical field.

Plans and fundraising continue for the building of the Cedar Valley SportsPlex. The Vision Iowa Board recently announced they will provide \$750,000 in funding to the Waterloo Development Corp if locally raised funds can match the amount. The estimated \$23 million facility will cover 127,300 square feet when completed and will include a gymnasium with basketball courts, a walking / running track, weight-lifting and cardio areas, and indoor soccer fields, along with other amenities. An additional recreational pool is also scheduled at the facility with construction for that phase beginning after completion of the initial building. Private funds are being utilized for the majority of the funding to date.

A recent groundbreaking has started the first of numerous phases to complete the River Place project on the Cedar River in Cedar Falls. The project has been discussed and planned for a number of years and with new developers, it has now officially begun. The project will have an estimated cost of approximately \$40 million to \$60 million once completed. The plans call for a three to five year time frame for all phases to be finished. The initial phase will include two structures with 21 two-bedroom loft inspired living spaces in each, which should be ready for occupancy in August of next year. Additionally, the site will have four more residential and mixed-use buildings, a hotel, an event center and a Western Home active lifestyle residence named Mill Race. Mill Race will consist of 48 to 64 townhouses and flat-style residences. The Western Home project will total approximately \$15 million to \$20 million when completed.

There are also numerous smaller remodels and construction projects that have been recently announced and begun. They include a new \$11 million Menards home improvement store scheduled to be completed in 2013 along with a \$4.5 million expansion of the Martin Brothers frozen /refrigerated warehouse and a \$7.3 million senior housing complex in Cedar Falls. In Waterloo, Covenant Medical Center is starting the first phase of a \$4 million remodel, Hawkeye Community College is beginning dual building projects totaling \$3.9 million and the Northeast Iowa Food Bank is under construction on a \$5.5 million distribution facility.

During the past ten years, the County's total expenses including debt and capital projects have increased 16% overall. The largest factor of the increase is in the Capital Projects category. Approximately \$10.8 million is attributed to an increased number of road and bridge repairs throughout the County as bonds are being issued to repair and reconstruct the aging bridge and road infrastructure within the County, which has caused significant increase in Debt Service as well. The County Environment and Education service area also increased dramatically due to nature trail repairs and trail bridge repairs during fiscal year 2012. These increases are partially offset by sizeable decreases in the Mental Health service area as a result of moving the Country View Care Facility into a non-budgetary enterprise fund. The reduction is approximately \$9 million compared to Mental Health figures in that category from ten years ago.

For the same ten year period, the County's total revenue has decreased by 2.3%. Some areas have had very significant percentage increases such as the Miscellaneous Revenue category due to increased fine collections along with the Licenses and Permits area at just under 88% and 43% respectively, although the Licenses and Permits dollar increase was only \$148,000 compared to the \$995,000 increase in the Miscellaneous category. Intergovernmental revenue decreased 45.4% or \$11 million primarily due to moving the Country View Care Facility into a non-budgetary enterprise fund. This decrease offsets an increase of \$8.65 million in Property and Other County Tax over the last ten years.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 24.5 percent of the total general fund expenditures. The fiscal year 2012 percentage figure is just below the State limit of 25% of expenditures, which is the preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at just under 38% of total general fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance percentage to remain below the State limit.

The County's secondary road system is also being continually reviewed. An aggressive multi-year plan to address deteriorating roads and bridges across the County was developed and implemented in early fiscal year 2009. Prior to the implementation of the plan, a special election for the rural residents of the County was held by the Board of Supervisors to change the Local Option Sales Tax (LOST) usage to help fund the road plan. The vote passed and changed the usage of the Local Option Sales Tax funds from 100% of the funds going for property tax relief to reallocating half of the amount towards road construction and the other half remaining for property tax relief. As the initial plan will be basically completed once the remaining projects from fiscal year 2012 are finished by the end of the calendar year, a new multi-year plan is being assessed and developed for potential secondary road needs in future years.

Black Hawk County continues to follow the twenty-year plan that was created with the assistance of the Institute for Decision Making at the University of Northern Iowa. As the three to five year plans for each department are reviewed, they will continue to be implemented into the budget for each fiscal year going forward. The overall twenty-year plan will be reviewed and adjusted as additional information and trends emerge.

Relevant Financial Policies

Black Hawk County has committed a portion of its fund balance for tax stabilization and to offset accrued benefit payments. Part of this balance is to offset increases in the debt service tax rate if it hits the pre-determined threshold, with the remaining committed balance used to offset unanticipated, unbudgeted retirement payouts that may occur throughout the year and can not be offset through the normal budget amendment process. The estimated total liability for the retirement payouts is under one million dollars. The sale of County owned farm land in past years has provided enough funding to offset this liability. Black Hawk County also recently approved a series of financial policies to help outline the goals and guidelines that the County operates the budget within.

Major Initiatives

There are four large bridges throughout Black Hawk County that span the Cedar River. Each has been in need of repair or replacement in the past few years. Two of those bridges have been replaced. A third replacement project involving a pair of bridges was recently finished in October 2012. It was the single most costly project in recent Black Hawk County history at just over \$7 million. The final of these four bridges is scheduled to be replaced in the next five years with an estimated cost of \$2.5 million.

There are also two bridges that are part of the Cedar Valley Nature Trail within Black Hawk County that span the Cedar River. Flooding that occurred in the County during the summer of 2008 closed and damaged both of these bridges beyond repair. Engineering studies were completed outlining the costs of replacement or potential repair of each bridge. One of the bridges qualified for FEMA funding to be completely replaced. Construction started in the spring of 2010 and finished in July 2011. Funding for the second of the two bridges was recently received from the State and the construction on that bridge will be complete in the early part of 2013 completing the last construction project related to the flooding that occurred in 2008.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk County, IA for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the seventh year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must

publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank all of the County employees and other individuals that assisted in the preparation of the Comprehensive Annual Financial Report. Most notably, I would like to thank the entire staffs of both the Auditor's Office and Treasurer's Office. The completion of this report could not have been accomplished without their efficient and dedicated service. The excellent service provided by the County's independent auditors, Williams & Company, P.C. is also greatly appreciated. Finally, I would like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



James W. Bronner
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Black Hawk County
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

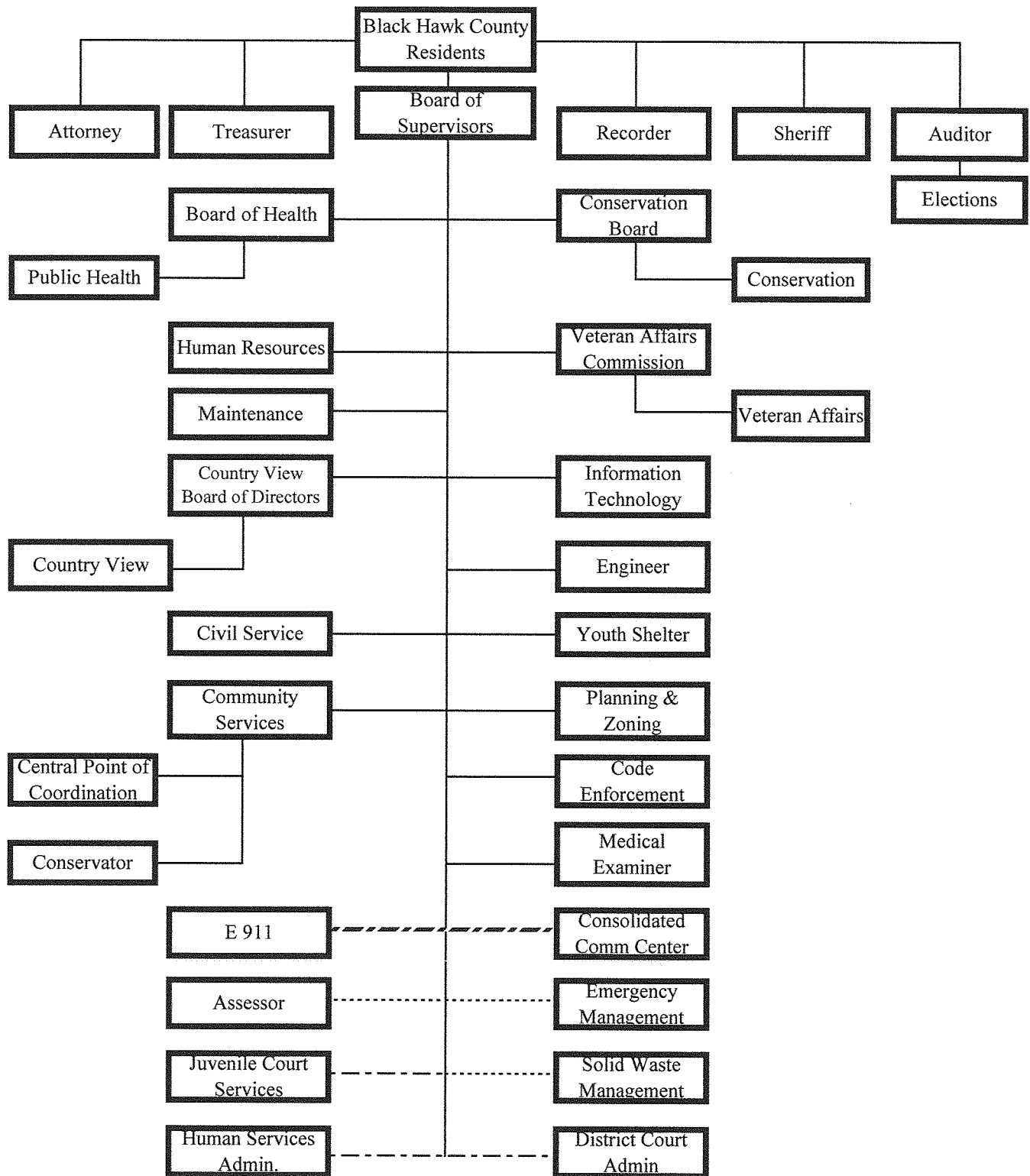
Jeffrey R. Enen

Executive Director

BLACK HAWK COUNTY OFFICIALS

<u>Official Title</u>	<u>Official</u>	<u>Term Expiration Date of Elected Officials</u>
Elected Officials		
Board of Supervisors, Chairperson	John Miller	2013
Board of Supervisors, Chair Pro Tempore	Frank Magsamen	2015
Board of Supervisors	Scott Jordan	2013
Board of Supervisors	Tom Little	2013
Board of Supervisors	Craig White	2015
County Attorney	Thomas Ferguson	2015
County Auditor	Grant Veeder	2013
County Recorder	Judy McCarthy	2015
County Sheriff	Tony Thompson	2013
County Treasurer	Rita M. Schmidt	2015
Associate Officials		
County Assessor	Tami McFarland	2015
Department Heads and Administration		
Community Services Director / Central Point of Coordination Administrator	Robert Lincoln	
Conservation Executive Director	Vern Fish	
Country View Administrator	Robert High	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Shane Graham	
Human Resources Director	Jerald R. Clyde	
Information Technology Director	Kim Veeder	
Public Health Director	Bruce Meisinger	
Veteran Affairs Director	Bennie Spain	
Youth Shelter Director	Amy Landers	
County Finance Director / Country View Comptroller	James W. Bronner	

ORGANIZATIONAL CHART





21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County, Iowa

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information, of BLACK HAWK COUNTY, IOWA (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Black Hawk County, Iowa as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012 on our consideration of Black Hawk County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the retiree health plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during

our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 21, 2012

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

As management of Black Hawk County, Iowa, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Black Hawk County, Iowa (the "County") for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is located in the Introductory Section at the front of this report.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the fiscal year ended June 30, 2012 by \$90,958,114 (net assets). Of this amount, \$17,591,102 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2011, assets exceeded liabilities by \$87,406,724. Of this amount, \$16,927,314 was unrestricted.
- The County's total net assets increased by \$3,551,390 during the fiscal year ended June 30, 2012. Governmental activities increased \$2,820,050 and business-type activities increased by \$731,340. For fiscal year ended June 30, 2011, total net assets increased \$10,220,443. Governmental activities increased \$6,204,674 and business-type activities decreased \$4,015,769.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,020,325, a decrease of \$11,275,783 in comparison with the prior year. Approximately 30.9 percent of this is unassigned fund balance which is available for spending at the County's discretion. As of the close of fiscal year June 30, 2011, governmental funds reported combined ending fund balances of \$39,296,108.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$8,666,837 or 24.5 percent of the total General Fund expenditures. These funds will be needed to meet expenditures until the next semi-annual property tax revenue is received. The unassigned fund balance for the General Fund as of June 30, 2011 was \$6,889,135 or 18.8 percent of total General Fund expenditures.
- The County's total debt decreased by \$2,032,334 (5 percent) during the current fiscal year. Total debt for the fiscal year June 30, 2011, increased by \$15,688,491 (56 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Black Hawk County, Iowa's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The statement of net assets presents information on all of Black Hawk County, Iowa's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include public safety and legal services, physical health and social services, mental health, County environment and education, road and transportation, governmental services to residents, administration and interest on long-term debt. The business-type activities of the County include the Washburn rural sewer and Washburn rural water operations and the Country View Care Facility.

The government-wide financial statements include Black Hawk County, Iowa (known as the primary government) and two blended component units: Drainage Districts and the Friends of Hartman Reserve, Inc.

The government-wide financial statements can be found on pages 23 through 25 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Black Hawk County, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and is typically the basis used in developing the next annual budget.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Black Hawk County, Iowa, maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. The County has elected to treat the Rural Services Fund and Secondary Roads Fund as major for public interest purposes. Data from the other seven governmental funds are combined into a single, aggregated presentation under the column heading "Nonmajor Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

The County presents budgetary information as allowed by GASB Statement No. 41. The County adopts an annual appropriated budget for all governmental funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions, not by fund or fund type.

The basic governmental fund financial statements can be found on pages 26 through 31 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Washburn rural sewer system, the Washburn rural water system and the Country View Care Facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Black Hawk County, Iowa utilizes three internal service funds to account for its health insurance, self-insurance and office equipment programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for all the enterprise funds as a single aggregated presentation as they are all considered nonmajor. Additionally, all internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund's financial statements can be found on pages 32 through 35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Black Hawk County, Iowa's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund's financial statements can be found on page 36 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 37 through 54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning Black Hawk County, Iowa's budgeted amounts for fiscal year 2012. Required supplementary information can be found on pages 55 and 57 of this report.

The combining statements referred to earlier in connection with nonmajor special revenue funds, capital project funds, enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 58 through 71 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets exceeded liabilities by \$90,958,114 at the close of the most recent fiscal year.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

By far the largest portion of the County's net assets (66 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements other than buildings and infrastructure); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated to cover the liabilities.

Net Assets of Governmental and Business-Type Activities						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 73,899,063	\$ 84,162,471	\$ 3,884,049	\$ 3,184,686	\$ 77,783,112	\$ 87,347,157
Capital Assets	89,886,534	77,547,352	5,208,023	5,368,946	95,094,557	82,916,298
Total Assets	163,785,597	161,709,823	9,092,072	8,553,632	172,877,669	170,263,455
Long-term Liabilities	43,829,887	45,695,799	1,384,828	1,499,886	45,214,715	47,195,685
Other Liabilities	36,280,035	35,158,399	424,805	502,647	36,704,840	35,661,046
Total Liabilities	80,109,922	80,854,198	1,809,633	2,002,533	81,919,555	82,856,731
Net Assets:						
Invested in Capital Assets, net of related debt	55,310,782	52,154,674	4,600,839	4,582,515	59,911,621	56,737,189
Restricted	13,455,391	13,742,221	-	-	13,455,391	13,742,221
Unrestricted	14,909,502	14,958,730	2,681,600	1,968,584	17,591,102	16,927,314
Total Net Assets	\$ 83,675,675	\$ 80,855,625	\$ 7,282,439	\$ 6,551,099	\$ 90,958,114	\$ 87,406,724

An additional portion of the County's net assets (14.79 percent or \$13,455,391) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (19.21 percent or \$17,591,102) may be used to meet the County's ongoing obligations to citizens and creditors.

Net assets restricted through enabling legislation consists of \$3,497,919 for debt service, \$1,270,681 for mental health, \$1,821,231 for secondary roads, and \$4,317,307 for supplemental levy purposes and \$2,548,253, for various other restricted purposes, as of June 30, 2012.

At the end of the current fiscal year, Black Hawk County, Iowa is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the County's net assets by \$2,820,050, as shown on the chart as follows. The 3.5 percent increase in net assets of the governmental activities is primarily the result of a reduction in long-term liabilities as more debt was retired than was issued in fiscal year 2012 along with a significant increase in capital assets more than offsetting a significant decrease in current and other assets. Bond proceeds that were carried over from being issued in fiscal year 2011 were utilized and projects were completed along with old capital equipment being replaced.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

Changes in Net Assets of Governmental and Business-Type Activities						
	Government Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,889,121	\$ 6,346,471	\$ 12,567,677	\$ 13,522,197	\$ 19,456,798	\$ 19,868,668
Operating Grants / Contributions	10,539,342	11,149,510	-	-	10,539,342	11,149,510
Capital Grants / Contributions	3,548,186	4,672,902	-	-	3,548,186	4,672,902
General Revenues:						
Taxes:						
Property	31,113,136	29,656,058	-	-	31,113,136	29,656,058
State Tax Credits	864,425	875,035	-	-	864,425	875,035
Local Option Sales	2,974,608	2,794,377	-	-	2,974,608	2,794,377
Investment Earnings	341,262	605,731	1,765	2,170	343,027	607,901
Miscellaneous	1,115,864	1,391,943	79,755	77,188	1,195,619	1,469,131
Total Revenues	57,385,944	57,492,027	12,649,197	13,601,555	70,035,141	71,093,582
Expenses:						
Public Safety and Legal Services	17,614,051	17,708,648	-	-	17,614,051	17,708,648
Physical Health and Social Services	7,711,949	8,344,752	-	-	7,711,949	8,344,752
Mental Health	9,248,329	2,874,676	-	-	9,248,329	2,874,676
County Environment and Education	3,619,566	4,554,435	-	-	3,619,566	4,554,435
Roads and Transportation	8,057,683	7,761,476	-	-	8,057,683	7,761,476
Government Services to Residents	1,626,233	1,563,909	-	-	1,626,233	1,563,909
Administration	5,159,646	5,253,070	-	-	5,159,646	5,253,070
Interest on Long-Term Debt	1,518,393	1,371,330	-	-	1,518,393	1,371,330
Country View Care Facility	-	-	11,606,877	11,096,457	11,606,877	11,096,457
Washburn Water and Sewer	-	-	321,024	344,386	321,024	344,386
Total Expenses	54,555,850	49,432,296	11,927,901	11,440,843	66,483,751	60,873,139
Excess of Revenues over Expenses	2,830,094	8,059,731	721,296	2,160,712	3,551,390	10,220,443
Transfers In (Out)	(10,044)	(1,855,057)	10,044	1,855,057	-	-
Increase (Decrease) in Net Assets	2,820,050	6,204,674	731,340	4,015,769	3,551,390	10,220,443
Net Assets, Beginning	80,855,625	74,650,951	6,551,099	2,535,330	87,406,724	77,186,281
Net Assets, Ending	\$ 83,675,675	\$ 80,855,625	\$ 7,282,439	\$ 6,551,099	\$ 90,958,114	\$ 87,406,724

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

The County experienced a small decrease in overall total revenue as there were significant increases in various revenue sources offset by significant decreases in other revenue sources: property tax revenue increased approximately \$1.46 million due primarily to an increase in taxable assessed valuation partially offset with a decrease in property tax rates; and was more than offset by a decrease in capital grants and contributions of over \$1.1 million due to bridge replacement funds through FEMA occurring in fiscal year 2011, but not in fiscal year 2012 along with less funds being passed through the County for the Federal Jumpstart program.

Miscellaneous revenues represent items that are not large enough to have an individual classification such as donations, various property rentals and other miscellaneous revenue items. This amount will fluctuate year to year given the nature of the revenues.

Public safety and legal services expenditures decreased approximately \$95,000 primarily from reduced staffing costs and benefits in the Sheriff's Office that more than offset salary and benefits increases in various other departments such as the Attorney's Office and Consolidated Communications.

Physical health and social services decreased approximately \$633,000 as costs for juvenile detention decreased \$261,000 from fiscal year 2011 levels along with \$100,000 less being spent to the Country View facility by Community Services. The majority of the remaining reduction is due to reduced expenses and offsetting revenue for federal grants in the Health Department.

County environment and education decreased approximately 20% or \$935,000 which was primarily due to decreased expenses related to the federally funded Jump Start Program. These expenses decreased nearly \$736,000.

Mental health functional expenses increased by approximately \$6.4 million. This increase was due to the timing of a payment for just over \$3 million for the second half of fiscal year 2011 to the multi county Mental Health Group being paid in fiscal year 2012 which caused fiscal year 2011 to be understated and fiscal year 2012 to be overstated.

Business-type activities. Business-type activities increased the County's net assets by \$731,340.

Financial Analysis of the Government's Fund Financial Statements

As noted earlier, Black Hawk County, Iowa uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The financial reporting focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances serve as a useful measure of a government's net resources available at the end of the fiscal year.

The County's governmental funds reported combined fund balances of \$28,020,325 as of June 30, 2012. This was a decrease of \$11,275,783, or 28.7 percent, from the prior year. The majority of the decrease is from a reduction of \$11 million in the balance of the Capital Projects Fund as bonds for numerous road improvements and bridge construction projects were sold in fiscal year 2011, but construction did not begin until fiscal year 2012. Of this total combined fund balance amount, \$8,666,808 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been allocated 1) for purposes of the supplemental tax levy, 2) to fund various debt service payments and 3) for assets that will not be liquidated in the near term, and other restricted purposes.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned balance of the General Fund was \$8,666,837, while total fund balance reached \$13,429,893. As a measure of the General Fund's liquidity, it is generally useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.5 percent of total General Fund expenditures, while total fund balance represents just under 38 percent of that same amount. These funds will be needed as working capital during the initial months of the new fiscal year as property tax revenue is only collected semiannually, in September and March.

The fund balance for Black Hawk County, Iowa's General Fund increased by \$1,661,867 during the current fiscal year. The single largest factor in the increase in fund balance was the issuance of debt for \$1.65 million versus the issuance of approximately \$147,000 in debt during fiscal year 2011.

The Mental Health Fund had a fund balance of \$1,299,417, all of which is to be used for mental health functional expenditures. The fund balance decreased by \$3,015,990 during fiscal year 2012. The decrease is attributed to a planned reduction in fund balance to allow for the maximum benefit to the multi-county County Social Services region.

The Rural Services Fund had a fund balance of \$1,765,467, which increased \$209,798 from the prior year. The fund increase is due to higher than expected Local Option Sales Tax revenue for fiscal year 2012.

The Secondary Roads Fund had a fund balance of \$2,043,349, which increased \$697,860 from the prior year. The primary reason for the increase in fund balance is the fluctuation that occurs due to the timing of planned maintenance and capital projects.

The Debt Service Fund had a fund balance of \$1,960,035 all of which is restricted for the payment of debt service (i.e. payment of general obligation principal and interest). The increase in fund balance of \$145,737 was due primarily to the funds from the Local Option Sales Tax that offsets some of the debt payments being higher than anticipated for fiscal year 2012.

The Capital Projects Fund had a total fund balance of \$6,654,062. This fund balance decreased \$10,998,861 due to the timing of the bond proceeds and the related project expenditures. The bond proceeds for fiscal year 2012 projects were received in fiscal year 2011, but the project expenditures did not occur until fiscal year 2012, resulting in an increase in fund balance for fiscal year 2011 and a significant decrease in fund balance for FY12 as the projects were completed.

Proprietary Funds. The Black Hawk County, Iowa's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail. The Country View Care Facility is the only major enterprise fund.

Budgetary Highlights

The County presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type.

Over the course of the year, Black Hawk County, Iowa amended its budget two times. The budgetary comparison schedule provides more information.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

Key changes in the budget amendments are as follows:

Expenditures increased \$15,115,477, which included:

- Approximately \$11.352 million for projects that began in fiscal year 2011, but finished in fiscal year 2012. The majority of these projects, \$11.152 million, were road and bridge projects along with \$174,749 in the E911 Fund and \$24,805 in the Capital Improvement Fund.
- Approximately \$3 million for fiscal year 2011 County Social Services that were not able to be spent in fiscal year 2011, but were expensed in fiscal year 2012.
- Approximately \$633,000 for items in the Sheriff's Office. Approximately \$225,000 for housing inmates with the Department of Corrections along with increased healthcare costs for inmates and additional expenditures from the room and board fund of just under \$408,000.

Revenues increased \$29,450 which included:

- Approximately \$200,000 increase in revenue for the Sheriff's Office as the inmate healthcare reimbursement was higher than expected due to an increased jail population.
- Approximately \$143,000 decrease in Health Department revenue due to funding reduction in numerous grants.
- Approximately \$34,000 reduction in revenue for Secondary Roads as I-JOBS reimbursements were offset by moving budgeted projects to future years.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to \$95,074,557 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, vehicles and equipment, construction-in-progress and infrastructure. The total increase in Black Hawk County, Iowa's capital assets for the current fiscal year was 14.7 percent.

	Capital Assets, Net of Applicable Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 5,698,535	\$ 5,412,129	\$ -	\$ -	\$ 5,698,535	\$ 5,412,129
Construction-in-Progress	8,541,277	7,867,453	-	442,339	8,541,277	8,309,792
Buildings	28,361,733	27,460,681	4,833,593	4,220,476	33,195,326	31,681,157
Improvements other than Buildings	1,368,737	1,368,737	96,836	96,836	1,465,573	1,465,573
Equipment and Vehicles	11,794,490	11,116,673	536,777	522,902	12,331,267	11,639,575
Infrastructure	75,888,747	62,995,088	5,420,639	5,420,639	81,309,386	68,415,727
Accumulated Depreciation	(41,786,985)	(38,673,409)	(5,679,822)	(5,334,246)	(47,466,807)	(44,007,655)
Total Capital Assets	\$ 89,866,534	\$ 77,547,352	\$ 5,208,023	\$ 5,368,946	\$ 95,074,557	\$ 82,916,298

Major capital asset events during the current fiscal year included the following:

- Multiple secondary road projects including the replacement of the two bridges on Brandon Road as well as safety improvements and highway realignment before, in between and after the bridges. The \$7 million project was completed in early FY13. Additionally, the reconstruction and resurfacing of approximately 22 miles of road was completed during fiscal year 2012.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

- A new roof was put on a large portion of the Country View facility as well as new roofs for two Secondary Roads maintenance shops.
- The park ranger residence at the Rotary Reserve had a significant expansion added to the existing structure. The remodel included new siding, windows, HVAC system and numerous other improvements.
- The Courthouse received a significant upgrade to the entrance on the front of the building.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements on pages 46 and 47.

Long-term debt. At the close of the fiscal year ended June 30, 2012, the County had total long-term debt outstanding of \$44,052,573. Of this amount, \$41,790,000 comprises debt backed by the full faith and credit of the government and the remaining \$2,262,573 represents capital lease obligations and accrued compensated absences for the County's employees.

	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 39,525,000	\$ 42,605,000	\$ 610,000	\$ 790,000	\$ 40,135,000	\$ 43,395,000
General Obligation Capital Notes	1,655,000	420,000	-	-	1,655,000	420,000
Capital Leases	38,855	46,189	-	-	38,855	46,189
Compensated Absences	1,798,724	1,959,498	424,994	417,355	2,223,718	2,376,853
Total	\$ 43,017,579	\$ 45,030,687	\$ 1,034,994	\$ 1,207,355	\$ 44,052,573	\$ 46,238,042

Additional information concerning the County's long-term debt can be found in Note 7 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

Black Hawk County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2013 budget and the tax rates charged for various County activities. County officials are sensitive to the trends of key economic factors such as the unemployment rate. In January of 2009, the unemployment rate saw a significant increase to 5.1% compared to 4.5% just a year prior, reflecting the overall state of the economy. As the economy worsened, the unemployment rate peaked at 7.9% in October of 2009, and gradually decreased to 6.0% by the end of 2010. The rate remained fairly steady for a number of months and then declined slightly throughout 2011. The rate then increased to 6% in January of 2012 before gradually falling to just under 5% in October.

In an ongoing effort to maintain County services with minimal increases in tax levies, the Black Hawk County Board of Supervisors has sought efficiencies, including the outsourcing of duties and reduced fund balances as well as eliminating positions. In the last ten years, the year-end combined General Fund balance (General Basic and General Supplemental) has climbed from a balance of \$4,262,756 or just over 13 percent of expenditures to a figure of \$11,007,968 in fiscal year 2008. As the economic downturn began shortly after, the fund balance decreased to a figure of \$10,239,519 by the end fiscal year 2010. During fiscal years 2011 and 2012 the fund balance has steadily increased to the largest amount it has

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012

been since the mid-1990's at \$13,429,893. This amount is just under 38 percent of expenditures with the unassigned fund balance of \$8,666,837 at 24.5 percent of expenditures.

For fiscal year 2013, amounts available for appropriation are \$60.84 million. Budgeted expenditures are expected to decrease approximately \$9.2 million from fiscal year 2012 actual figures, while budgeted revenues are expected to increase \$3.07 million. Of the expenditure decrease, the Capital Projects category is budgeted to decrease just under \$10.4 million as the number of bridge projects and road construction projects have been reduced compared to fiscal year 2012. This decrease along with decreases in Debt Service of \$765,000 and the Mental Health area of \$1.9 million offset increases in Public Safety & Legal Services of \$485,000, Physical Health & Social Services of \$561,000, and County Environment and Education of \$2.9 million. The increase in revenues for fiscal year 2013 compared to the fiscal year 2012 actual figures is almost entirely due to an increase of just under \$3 million in Intergovernmental Revenue compared to fiscal year 2012. If these estimates are realized, the County's budgetary operating balance is expected to slightly increase by the end of fiscal year 2013.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Black Hawk County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Black Hawk County Finance Director, James W. Bronner, by mail at 316 E. 5th Street, Waterloo, Iowa 50703, by telephone at 319.833.3003, fax 319.833.3070 or by e-mail at jbronner@co.black-hawk.ia.us.

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets			
Cash and Investments	\$ 27,695,582	\$ 2,331,544	\$ 30,027,126
Restricted Cash and Investments	8,705,696	-	8,705,696
Receivables:			
Property tax:			
Delinquent	158,747	-	158,747
Succeeding year	31,553,879	-	31,553,879
Accrued Interest	16,220	92	16,312
Accounts	365,436	123,922	489,358
Interest and Penalty on Property Tax, Net	224,479	-	224,479
Notes Receivable	36,000	-	36,000
Internal Balances	100,789	(100,789)	-
Due from Other Governmental Agencies	2,799,435	1,434,870	4,234,305
Inventories	363,567	88,263	451,830
Total Current Assets	72,019,830	3,877,902	75,897,732
Noncurrent Assets			
Debt Issuance Cost	264,009	6,147	270,156
Capital Lease Receivable	1,635,224	-	1,635,224
Capital Assets			
Land	5,698,535	-	5,698,535
Construction in Progress	8,541,277	-	8,541,277
Infrastructure, Property and Equipment, Net			
of Accumulated Depreciation	75,626,722	5,208,023	80,834,745
Total Non Current Assets	91,765,767	5,214,170	96,979,937
Total Assets	163,785,597	9,092,072	172,877,669
LIABILITIES			
Accounts Payable	3,092,694	153,989	3,246,683
Claims Payable	822,449	-	822,449
Due to Other Governmental Agencies	194,784	13,612	208,396
Deferred Revenue - Future Property Tax	31,553,879	-	31,553,879
Unearned Revenue	66,054	27,232	93,286
Accrued Interest Payable	112,748	1,962	114,710
Other Liabilities	-	81,259	81,259
Salaries and Benefits Payable	437,427	146,751	584,178
Total current liabilities	36,280,035	424,805	36,704,840
Noncurrent Liabilities:			
Due within one year:			
General Obligation Bonds	3,955,000	80,000	4,035,000
General Obligation Capital Loan Notes	335,000	-	335,000
Capital Leases	8,264	-	8,264
Compensated Absences	794,687	242,140	1,036,827
Due in more than one year:			
General Obligation Bonds	35,566,393	527,184	36,093,577
General Obligation Capital Loan Notes	1,314,566	-	1,314,566
Capital Leases	30,591	-	30,591
Compensated Absences	1,004,037	182,853	1,186,890
OPEB Liability	821,349	352,651	1,174,000
Total Noncurrent Liabilities	43,829,887	1,384,828	45,214,715
Total Liabilities	80,109,922	1,809,633	81,919,555
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	55,310,782	4,600,839	59,911,621
Restricted for:			
Debt Service	3,497,919	-	3,497,919
Mental Health Purposes	1,270,681	-	1,270,681
Supplemental levy purposes	4,317,307	-	4,317,307
Secondary Roads Purposes	1,821,231	-	1,821,231
Rural Services	1,707,248	-	1,707,248
Conservation	713,140	-	713,140
Other Purposes	127,865	-	127,865
Unrestricted	14,909,502	2,681,600	17,591,102
Total Net Assets	\$ 83,675,675	\$ 7,282,439	\$ 90,958,114

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 17,614,051	\$ 2,337,436
Physical health and social services	7,711,949	998,478
Mental health	9,248,329	48,814
County environment and education	3,619,566	633,515
Roads and transportation	8,057,683	24,913
Government services to residents	1,626,233	1,881,925
Administration	5,159,646	964,040
Interest on long-term debt	1,518,393	-
Total governmental activities	54,555,850	6,889,121
Business-Type Activities		
Rural Sewer	238,802	206,923
Rural Water	82,222	56,928
Country View Care Facility	11,606,877	12,303,826
Total Business-Type Activites	11,927,901	12,567,677
Total	\$ 66,483,751	\$ 19,456,798

Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,206,175	\$ -	\$ (13,070,440)	\$ -	\$ (13,070,440)
3,195,352	-	(3,518,119)	-	(3,518,119)
458,096	-	(8,741,419)	-	(8,741,419)
398,261	1,504,595	(1,083,195)	-	(1,083,195)
3,454,063	2,043,591	(2,535,116)	-	(2,535,116)
85,298	-	340,990	-	340,990
742,097	-	(3,453,509)	-	(3,453,509)
-	-	(1,518,393)	-	(1,518,393)
10,539,342	3,548,186	(33,579,201)	-	(33,579,201)
-	-	-	(31,879)	(31,879)
-	-	-	(25,294)	(25,294)
-	-	-	696,949	696,949
-	-	-	639,776	639,776
\$ 10,539,342	\$ 3,548,186	(33,579,201)	639,776	(32,939,425)

General Revenues:

Property and other county tax levied for:			
General Purposes	27,531,190	-	27,531,190
Debt Service	3,187,870	-	3,187,870
Interest and penalties on taxes	394,076	-	394,076
State tax credits	864,425	-	864,425
Local option sales tax	2,974,608	-	2,974,608
Gambling Taxes	417,207	-	417,207
Unrestricted investment earnings	341,262	1,765	343,027
Gain on Sale of Capital Assets	40,207	-	40,207
Miscellaneous	658,450	79,755	738,205
Transfers	(10,044)	10,044	-
Total general revenues	36,399,251	91,564	36,490,815
Change in net assets	2,820,050	731,340	3,551,390
Net assets - beginning	80,855,625	6,551,099	87,406,724
Net assets - ending	\$ 83,675,675	\$ 7,282,439	\$ 90,958,114

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2012

	General	Mental Health
Assets		
Cash and Pooled Investments	\$ 12,553,566	\$ 1,174,632
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	106,695	29,108
Future Property Tax	20,496,813	5,591,898
Accrued Interest	9,306	-
Accounts	316,593	3,048
Interest and Penalty on Property Tax	224,479	-
Notes Receivable	-	-
Due from Other Funds	27,150	-
Due from Other Governmental Agencies	1,917,553	129,214
Capital Lease	-	-
Inventories	-	-
Total Assets	<u>35,652,155</u>	<u>6,927,900</u>
Liabilities and Equity		
Liabilities:		
Accounts Payable	721,980	166
Due to Other Funds	13,103	1,154
Due to Other Governmental Agencies	162,219	-
Deferred Revenue	402,995	28,030
Deferred Revenue - Future Property Tax	20,496,813	5,591,898
Unearned Revenue	66,054	-
Salaries and Benefits Payable	359,098	7,235
Total Liabilities	<u>22,222,262</u>	<u>5,628,483</u>
Fund Balances:		
NonSpendable:		
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	4,338,973	-
Mental Health Purposes	-	1,299,417
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Committed for:		
Termination Benefits	424,083	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	8,666,837	-
Total Fund Balances	<u>13,429,893</u>	<u>1,299,417</u>
Total Liabilities and Equity	<u>\$ 35,652,155</u>	<u>\$ 6,927,900</u>

See Accompanying Notes to Financial Statements

	Rural Services		Secondary Roads		Debt Service		Capital Projects		Other Governmental Funds		Total Governmental Funds
\$	1,524,362	\$	1,647,439	\$	1,627,517	\$	-	\$	993,335	\$	19,520,851
	-		-		-		8,705,696		-		8,705,696
	6,971		-		15,973		-		-		158,747
	2,179,809		-		3,285,359		-		-		31,553,879
	-		-		2,104		-		77		11,487
	5,754		3,399		-		-		10,280		339,074
	-		-		-		-		-		224,479
	36,000		-		-		-		-		36,000
	-		-		90,000		-		-		117,150
	239,850		270,415		239,850		-		2,553		2,799,435
	-		-		1,635,224		-		-		1,635,224
	-		363,567		-		-		-		363,567
	3,992,746		2,284,820		6,896,027		8,705,696		1,006,245		65,465,589
	-		178,781		-		2,051,634		135,580		3,088,141
	411		1,630		-		-		63		16,361
	15,731		14,334		-		-		2,500		194,784
	6,960		-		1,650,633		-		-		2,088,618
	2,179,809		-		3,285,359		-		-		31,553,879
	-		-		-		-		-		66,054
	24,368		46,726		-		-		-		437,427
	2,227,279		241,471		4,935,992		2,051,634		138,143		37,445,264
	-		363,567		-		-		-		363,567
	-		-		1,960,035		-		-		1,960,035
	-		-		-		-		-		4,338,973
	-		-		-		-		-		1,299,417
	1,765,467		-		-		-		-		1,765,467
	-		1,679,782		-		-		-		1,679,782
	-		-		-		-		13,912		13,912
	-		-		-		-		713,140		713,140
	-		-		-		6,654,062		-		6,654,062
	-		-		-		-		113,953		113,953
	-		-		-		-		-		424,083
	-		-		-		-		27,126		27,126
	-		-		-		-		(29)		8,666,808
	1,765,467		2,043,349		1,960,035		6,654,062		868,102		28,020,325
\$	3,992,746	\$	2,284,820	\$	6,896,027	\$	8,705,696	\$	1,006,245	\$	65,465,589

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds (page 27)		\$ 28,020,325
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		89,866,534
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net assets.		7,378,824
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		2,088,618
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued Compensated Absences	\$ (1,798,724)	
Other Post Employment Liabilities	<u>(821,349)</u>	(2,620,073)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Debt Issuance Costs	264,009	
General Obligation Bonds	(39,521,393)	
General Obligation Capital Loan Notes	(1,649,566)	
Capital Leases	(38,855)	
Accrued Interest Payable	<u>(112,748)</u>	<u>(41,058,553)</u>
Total Net Assets - Governmental Activities (page 23)		<u><u>\$ 83,675,675</u></u>

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2012

	General	Mental Health	Rural Services
Revenue:			
Property tax	\$ 19,390,677	\$ 5,386,292	\$ 1,850,476
Other County Tax	1,135,837	182,594	1,577,298
Interest and penalty on property tax	394,076	-	-
Intergovernmental	8,358,633	613,194	96,509
Licenses and permits	392,630	-	74,744
Charges for services	4,358,313	48,772	3,545
Use of money and property	191,130	-	-
Miscellaneous	1,987,121	86	225
Total Revenue	36,208,417	6,230,938	3,602,797
Expenditures:			
Current operating:			
Public safety and legal services	15,809,101	-	1,558,823
Physical health and social services	7,654,874	-	-
Mental health	-	9,246,928	-
County environment and education	3,608,255	-	221,735
Roads and transportation	1,383,118	-	-
Government services to residents	1,535,436	-	475
Administration	5,092,556	-	-
Capital projects	-	-	-
Debt service:			
Principal	312,334	-	-
Bond Issuance Cost	25,530	-	-
Interest	20,474	-	-
Total Expenditures	35,441,678	9,246,928	1,781,033
Excess (deficiency) of revenues over expenditures	766,739	(3,015,990)	1,821,764
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	(751,204)	-	(1,611,966)
Bond Refunding	-	-	-
Proceeds from sale of capital assets	-	-	-
Discounts on bonds issued	(6,468)	-	-
Issuance of debt	1,652,033	-	-
Premium on Bonds Issued	767	-	-
Total other financing sources (uses)	895,128	-	(1,611,966)
Net Change in Fund Balances	1,661,867	(3,015,990)	209,798
Fund balances - beginning of year	11,768,026	4,315,407	1,555,669
Fund balances - end of year	\$ 13,429,893	\$ 1,299,417	\$ 1,765,467

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,096,214	\$ -	\$ -	\$ 29,723,659
-	1,581,786	-	-	4,477,515
-	-	-	-	394,076
3,686,227	172,353	60	185,761	13,112,737
23,765	-	-	-	491,139
158	-	-	177,965	4,588,753
-	523,047	-	16,639	730,816
32,841	13	10,176	90,217	2,120,679
3,742,991	5,373,413	10,236	470,582	55,639,374
-	-	-	116,931	17,484,855
-	-	-	-	7,654,874
-	-	-	-	9,246,928
-	-	-	303,713	4,133,703
4,914,268	-	-	-	6,297,386
-	-	-	26,332	1,562,243
-	-	-	-	5,092,556
524,273	-	11,576,003	-	12,100,276
-	3,800,000	-	-	4,112,334
-	-	26,038	-	51,568
-	1,452,283	-	-	1,472,757
5,438,541	5,252,283	11,602,041	446,976	69,209,480
(1,695,550)	121,130	(11,591,805)	23,606	(13,570,106)
2,363,170	154,607	-	-	2,517,777
-	-	(154,607)	-	(2,517,777)
-	(820,000)	-	-	(820,000)
30,240	-	-	-	30,240
-	-	-	-	(6,468)
-	685,304	742,663	-	3,080,000
-	4,696	5,088	-	10,551
2,393,410	24,607	593,144	-	2,294,323
697,860	145,737	(10,998,661)	23,606	(11,275,783)
1,345,489	1,814,298	17,652,723	844,496	39,296,108
\$ 2,043,349	\$ 1,960,035	\$ 6,654,062	\$ 868,102	\$ 28,020,325

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 30) \$(11,275,783)

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 16,593,543	
Depreciation expense	<u>(4,209,504)</u>	12,384,039

Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain on the sale of fixed assets. This is the effect on the change in net assets on the statement of activities. (64,857)

Revenues reported in the funds that are not available to provide current financial resources. (551,078)

Accrued interest expense that does not require current financial resources. 9,096

Proceeds from issuance of long term debt. (3,080,000)

Internal service funds are used by management to charge the costs of partial self-insured health insurance. The net revenue of the internal service funds is reported with governmental activities. 443,220

Compensated absences that do not require current financial resources. 160,775

Other Post-Employment Benefits that do not require current financial resources. (130,449)

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:

Repayment of debt principal	4,932,334	
Bond Issuance Costs	51,568	
Discount on issuance of long term debt	6,468	
Premium on issuance of long term debt	(10,551)	
Accretion of premium on long term debt	19,112	
Amortization of discounts on long term debt	(31,776)	
Amortization of debt issuance costs on long term debt	<u>(42,068)</u>	<u>4,925,087</u>

Change in net assets of governmental activities (page 25) \$ 2,820,050

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET ASSETS
Proprietary Funds
JUNE 30, 2012

	Business Type Activities			Governmental Activities
	Country View	Nonmajor		Internal
	Care Facility	Enterprise	Total	Service
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,171,606	\$ 159,938	\$ 2,331,544	\$ 8,174,731
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	86,284	37,638	123,922	26,362
Accrued Interest	-	92	92	4,733
Due from Other Funds	882	-	882	-
Due from Other Governmental Agencies	1,434,870	-	1,434,870	-
Inventories	88,263	-	88,263	-
Total Current Assets	3,781,905	197,668	3,979,573	8,205,826
Noncurrent Assets:				
Debt Issuance Cost		6,147	6,147	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,391,789	2,816,234	5,208,023	-
Total Noncurrent Assets	2,391,789	2,822,381	5,214,170	-
Total Assets	6,173,694	3,020,049	9,193,743	8,205,826
LIABILITIES				
Current Liabilities:				
Accounts Payable	152,673	1,316	153,989	4,553
Claims Payable	-	-	-	822,449
Accrued Interest Payable	-	1,962	1,962	-
Salaries and Benefits Payable	146,751	-	146,751	-
Due to Other Funds	101,671	-	101,671	-
Unearned Revenue	27,232	-	27,232	-
Due to Other Governments	13,612	-	13,612	-
Current portion of general obligation bonds	-	80,000	80,000	-
Other Liabilities	81,259	-	81,259	-
Compensated Absences	242,140	-	242,140	-
Total Current Liabilities	765,338	83,278	848,616	827,002
Noncurrent Liabilities:				
Due in more than one year:				
General Obligation Bonds	-	527,184	527,184	-
Compensated Absences	182,853	-	182,853	-
Net OPEB Liability	352,651	-	352,651	-
Total Noncurrent Liabilities	535,504	527,184	1,062,688	-
Total Liabilities	1,300,842	610,462	1,911,304	827,002
NET ASSETS				
Invested in Capital Assets,				
Net of Related Debt	2,391,789	2,209,050	4,600,839	-
Unrestricted	2,481,063	200,537	2,681,600	7,378,824
Total Net Assets	\$ 4,872,852	\$ 2,409,587	\$ 7,282,439	\$ 7,378,824

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Proprietary Funds
Year Ended June 30, 2012

	Business Type Activities			Governmental
	Country View	Nonmajor Enterprise	Total	Activities
	Care Facility	Funds		Internal Service
Operating Revenues:				
Charges for Services	\$ 12,303,826	\$ 263,851	\$12,567,677	\$ 5,903,644
Operating Expenses:				
Employee Services	9,072,972	-	9,072,972	-
Contract Services	1,347,987	52,261	1,400,248	5,512,261
Supplies	763,906	-	763,906	-
Repairs and Improvements	105,630	39,391	145,021	-
Utilities	134,395	3,008	137,403	-
Amortization	-	878	878	-
Depreciation	150,108	195,468	345,576	-
Allowance for Bad Debts	31,879	-	31,879	-
Total Operating Expenses	11,606,877	291,006	11,897,883	5,512,261
Operating Income (Loss)	696,949	(27,155)	669,794	391,383
Non-Operating Income (Expense):				
Interest Income	-	1,765	1,765	51,837
Other Non-operating Income	79,755	-	79,755	-
Interest Expense	-	(30,018)	(30,018)	-
Total Non-Operating Income (Expenses)	79,755	(28,253)	51,502	51,837
Income (Loss) Before Contributions and Transfers	776,704	(55,408)	721,296	443,220
Contributed Capital Revenue	10,044	-	10,044	-
Change in Net Assets	786,748	(55,408)	731,340	443,220
Net Assets - Beginning	4,086,104	2,464,995	6,551,099	6,935,604
Net Assets - Ending	\$ 4,872,852	\$ 2,409,587	\$ 7,282,439	\$ 7,378,824

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended June 30, 2012

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 11,955,836	\$ 269,535	\$ 12,225,371	\$ 5,891,513
Cash Paid to Suppliers for Goods and Services	(2,237,569)	(95,003)	(2,332,572)	(11,501)
Cash Paid for claims and to administrative provider	-	-	-	(5,614,581)
Cash Paid to Employees for Services Provided	(9,235,273)	-	(9,235,273)	-
Other Non-Operating Income	79,755	-	79,755	-
Net Cash Provided by Operating Activities	562,749	174,532	737,281	265,431
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(174,610)	-	(174,610)	-
Payments on capital loan notes and bonds	-	(180,000)	(180,000)	-
Interest Paid on Notes and Bonds	-	(29,784)	(29,784)	-
Net Cash (Used) for Capital and Related Financing Activities	(174,610)	(209,784)	(384,394)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Due From (To) Other Funds	2,926	-	2,926	-
Net Cash Provided (Used) by Non-Capital Financing Activities	2,926	-	2,926	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	1,784	1,784	51,765
Net Cash Provided from Investing Activities	-	1,784	1,784	51,765
Net Increase (Decrease) in Cash and Cash Equivalents	391,065	(33,468)	357,597	317,196
Cash and Cash Equivalents at Beginning of Year	1,780,541	193,406	1,973,947	7,857,535
Cash and Cash Equivalents at End of Year	\$ 2,171,606	\$ 159,938	\$ 2,331,544	\$ 8,174,731

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
Year Ended June 30, 2012

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 696,949	\$ (27,155)	\$ 669,794	\$ 391,383
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	150,108	195,468	345,576	-
Amortization	-	878	878	-
Miscellaneous Non-Operating Income	79,755	-	79,755	-
(Increase) Decrease in Assets:				
Accounts Receivable	108,060	5,684	113,744	(7,410)
Due From Other Governments	(457,886)	-	(457,886)	-
Inventories	(1,447)	-	(1,447)	-
Increase (Decrease) in Liabilities				
Accounts Payable	60,522	(343)	60,179	(2,421)
Claims Payable	-	-	-	(111,400)
Unearned Revenue	1,836	-	1,836	(4,721)
Accrued Compensated Absences	7,638	-	7,638	-
Accrued Wages and Benefits	(226,490)	-	(226,490)	-
Other Post Employment Benefit Liability	56,551	-	56,551	-
Other Liabilities	81,259	-	81,259	-
Due To Other Governments	5,894	-	5,894	-
Total Adjustments	(134,200)	201,687	67,487	(125,952)
Net Cash Provided (Used) by Operating Activities	\$ 562,749	\$ 174,532	\$ 737,281	\$ 265,431

Supplemental Schedule of Noncash Capital and Related Financing Activities:

Amortization of Bond Discount	\$ -	\$ 753	\$ 753	\$ -
Contributed Capital	\$ 10,044	\$ -	\$ 10,044	\$ -

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Agency Funds
JUNE 30, 2012

ASSETS

Cash and Pooled Investments	\$ 7,232,875
Property Taxes and Other	153,980,201
Total Assets	<u>161,213,076</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	111,184
Due to Other Governments	159,945,694
Trusts Payable	1,156,198
Total Liabilities	<u>\$ 161,213,076</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies

The County of Black Hawk, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

Blended Component Units

These financial statements present Black Hawk County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Each of the component units have a June 30 year-end. Blended Component Units are entities that are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Drainage Districts: Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed, and supervised by the Black Hawk County Board of Supervisors, which is the same governing board as the primary government. The drainage districts are reported as a special revenue fund. Financial information of the individual drainage districts can be obtained from the Black Hawk County Auditor's Office.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

The Friends of Hartman Reserve, Inc.: The Friends of Hartman Reserve, Inc. has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of providing volunteer resources, including personnel and financial resources, for the Hartman Reserve Nature Center and its governing organization, the Black Hawk County, Iowa Conservation Board. The Center is reported as a special revenue fund. Friends of Hartman is shown as a blended component unit, as it only serves and provides resources to Black Hawk County. Financial information can be obtained from the Black Hawk County, Iowa's Auditor's Office at 316 East 5th Street, Waterloo, Iowa 50703.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The Black Hawk County, Iowa's Board of Supervisors are members of or appoint representatives to the following boards and commissions: Black Hawk County, Iowa's Assessor's Conference Board, County Emergency Management Commission and Black Hawk County, Iowa's Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Black Hawk County Criminal Justice Information System, Black Hawk County Solid Waste Management Commission, Multi-County Drug Prosecution Unit, Tri-County Drug Task Force, Northeast Iowa Response Group, Iowa Northland Regional Housing Council, Iowa County Engineers Association Service Bureau, Consolidated Public Safety Communication Center and North Iowa Juvenile Detention Services Commission.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities, and the Country View Care Facility, Rural Water and Rural Sewer funds are classified as business-type activities. The County's internal service funds are classified as primarily governmental type activities.

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. In the government-wide Statement of Net Assets, the governmental and business type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The County does not allocate indirect costs. Certain expenses of the County are accounted for through the internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

- 2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Rural Services Fund is used to account taxes levied to benefit the rural residents of the County.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

- 3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.
- 4) Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector. The County reports the following proprietary funds:

- 1) Enterprise Funds: To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges.

The County's major enterprise fund:

Country View Care Facility: To account for the activities and operations of the County's certified care facility.

- 2) Internal Service Fund – Accounts for the County's self-insurance fund, office equipment fund and health insurance fund.

The County's internal service fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the County's governmental activities, the financial statements of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2012, disbursements did not exceed the amounts budgeted in any of the County's functions.
- F. Cash and Pooled Investments – The cash balances of most County funds along with its component units are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County and its component units use the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Investments	Fair Value

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2010 to compute the amounts that became liens on property when the supervisors adopted the FY12 budget. These taxes were due and payable in two installments on September 30, 2011 and March 31, 2012 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Due to/from Other Funds - During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- J. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- K. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.
- L. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts and related benefits is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2012. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.
- M. Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.
- Deferred revenue in the Statement of Net Assets consists of future year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.
- N. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued)

governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000. Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Improvements Other Than Buildings	10 – 25 Years
Buildings and Structures	10 – 50 Years
Infrastructure	15 – 65 Years
Machinery and Equipment	5 – 20 Years

- O. Discounts, premiums and issuance costs on long-term debt – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Discounts and premiums on the issuance of long-term debt as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method.

In the fund financial statements, governmental fund types recognize discounts and premiums on long-term debt as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- P. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

- Q. Net Assets – The net assets of the Internal Service Funds is designated for anticipated future catastrophic losses of the County.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 2 - Cash and Investments

As of June 30, 2012, the County's cash and investments were as follows:

Cash, statement of net assets	\$ 27,749,430
Cash, fiduciary funds	7,232,875
Investments	10,983,392
	<u>\$ 45,965,697</u>

The County maintains cash and investment pools for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law.

Authorized investments: The County is authorized by statute and policy to invest public funds in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the County and State of Iowa Statute, Chapter 12C; and perfected repurchase agreements, pooled funds including but not limited to mutual funds, trusts and third party management arrangement or improvement certificates of a drainage district. However, the County's investment policy additionally limits investments stating that any bank must be on the most recent State of Iowa Approved Bank List. Additionally, investments in (1) reverse repurchase agreements and (2) securities derived from interest-only cash flows from an underlying collateral debt instrument where there is risk of loss due to early redemption of the collateral are prohibited.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, the County minimizes the market value risk of investments in the portfolio by separating operating funds from other funds available for investment. Operating funds may not be invested in investments with maturity dates in excess of 397 days. Nonoperating funds may be invested in investments with maturities no greater than 30 months. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

Investment Type	Maturities	Fair Value
IPAIT Diversified, Money Market Mutual Fund	N/A	\$ 10,472,540
Government Bonds	N/A	62,043
Money market mutual fund	N/A	6,639
Mutual funds, equities	N/A	442,170
		<u>\$ 10,983,392</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2012, the County's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's
IPAIT Diversified, Money Market Mutual Fund	Not rated	Not rated
Money market mutual fund	Not rated	Not rated
Mutual funds, equities	Not rated	Not rated
Government Bonds	N/A	N/A

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 2 - Cash and Investments (Continued)

Concentration of credit risk: The County's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. The County did not have any investments in any one issuer that represent 5% more of total County investments: mutual funds are excluded from this consideration given the County does not "hold" the underlying investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2012, the County's investments were insured or were not subject to custodial credit risk. Time deposits in excess of FDIC insurable limits are secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all County funds to be deposited into an approved depository and be either insured or collateralized. As of June 30, 2011, the County's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Note 3 - Interfund Receivables and Payables

As of June 30, 2012, short-term interfund borrowings for operating purposes were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds, major funds:		
General	\$ 27,150	\$ 13,103
Mental Health	-	1,154
Rural Basic	-	411
Secondary Roads	-	1,630
Capital Improvement	90,000	-
Non Major Governmental Funds	-	63
Enterprise funds, major funds:		
Country View Care Facility	882	101,671
Total	<u>\$ 118,032</u>	<u>\$ 118,032</u>

These balances represent amounts due between funds due to timing differences in services being performed and reimbursements being made.

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

	<u>Transfer Out:</u>			
<u>Transfer In:</u>	<u>Capital Projects</u>	<u>General</u>	<u>Rural Services</u>	<u>Total Transfer In</u>
Debt Service	\$ 154,607	\$ -	\$ -	\$ 154,607
Secondary Roads	-	751,204	1,611,966	2,363,170
Total Transfer Out	<u>\$ 154,607</u>	<u>\$ 751,204</u>	<u>\$ 1,611,966</u>	<u>\$ 2,517,777</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 4 - Interfund Transfers

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move unrestricted revenues collected in the rural services fund to finance various programs and capital projects accounted for in other funds in accordance with budgetary authorizations.
3. Make corrections for receipts recorded in or expenditures expended from the wrong fund.

Note 5 - Capital Assets

A summary of changes in capital assets, including the component unit, is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,412,129	\$ 323,863	\$ 37,457	\$ 5,698,535
Construction in Progress	7,867,453	14,115,240	13,441,416	8,541,277
Total capital assets not being depreciated	13,279,582	14,439,103	13,478,873	14,239,812
Capital assets being depreciated:				
Land Improvements	1,368,737	-	-	1,368,737
Buildings and Structures	27,460,681	945,052	44,000	28,361,733
Machinery and Equipment	11,116,673	1,778,645	1,100,828	11,794,490
Infrastructure	62,995,088	12,893,659	-	75,888,747
Total capital assets being depreciated	102,941,179	15,617,356	1,144,828	117,413,707
Less accumulated depreciation for:				
Land Improvements	859,406	43,920	-	903,326
Buildings and Structures	9,372,018	602,547	27,720	9,946,845
Machinery and Equipment	7,730,983	776,709	1,068,208	7,439,484
Infrastructure	20,711,002	2,786,328	-	23,497,330
Total accumulated depreciation	38,673,409	4,209,504	1,095,928	41,786,985
Total capital assets being depreciated, net	64,267,770	11,407,852	48,900	75,626,722
Governmental activities capital assets, net	\$ 77,547,352	\$ 25,846,955	\$ 13,527,773	\$ 89,866,534
Business-Type Activities:				
Capital assets being depreciated:				
Construction in Progress	\$ 442,339	\$ 264,446	\$ 706,785	\$ -
Total capital assets not being depreciated	442,339	264,446	706,785	-
Capital assets being depreciated:				
Buildings and Structures	4,220,476	613,117	-	4,833,593
Improvements other than buildings	96,836	-	-	96,836
Vehicles	108,283	-	-	108,283
Equipment	414,619	13,875	-	428,494
Infrastructure	5,420,639	-	-	5,420,639
Total capital assets being depreciated	10,260,853	626,992	-	10,887,845
Less accumulated depreciation for:				
Buildings and structures	2,498,960	116,447	-	2,615,407
Improvements other than buildings	76,160	1,013	-	77,173
Vehicles	90,879	6,013	-	96,892
Equipment	259,312	26,635	-	285,947
Infrastructure	2,408,935	195,468	-	2,604,403
Total accumulated depreciation	5,334,246	345,576	-	5,679,822
Total capital assets being depreciated, net	\$ 4,926,607	\$ 281,416	\$ -	\$ 5,208,023

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 562,682
Physical health and social services	69,056
County environment and education	164,303
Roads and transportation	3,112,922
Government services to residents	54,473
Administration	246,068
	<u>\$ 4,209,504</u>

Depreciation expense was charged to the enterprise functions as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	150,108
	<u>\$ 345,576</u>

Reconciliation of Invested in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 5,698,535	\$ -
Construction in Progress	8,541,277	-
Capital Assets (net of accumulated depreciation)	75,626,722	5,208,023
Less * General Obligation Bonds	(32,870,938)	(610,000)
General Obligation Capital Loan Notes	(1,655,000)	-
Capital Leases	(38,855)	-
Premiums on Long Term Debt	(173,084)	-
Discounts on Long Term Debt	182,125	2,816
Invested in Capital Assets, Net of Related Debt	<u>\$ 55,310,782</u>	<u>\$ 4,600,839</u>

*The general obligation bond amount shown in the governmental activities column does not include \$6,654,062 of outstanding bonds, as at year end these amounts were unspent, thus were included in the restricted component of net assets.

Note 6 - E911 Lease Receivable

On July 22, 2008, the County issued General Obligation Bonds Series 2008B in order to purchase equipment for the E911 Service Board (a jointly governed organization to the County). The total principal and interest on the bonds was \$4,759,709 payable in semiannual payments starting December 1, 2009 and ending June 1, 2018. As of June 30, 2012, the 2008B bonds had an outstanding balance of \$2,475,000. When fully drawn the E911 Service Board is paying the County monthly installments ranging from \$30,000 to \$155,000 through December 15, 2018 with interest rates ranging from 4.00% to 4.60% per annum. The payments for the E911 Service Board are credited directly to the Debt Service Fund. In total as of June 30, 2012, the County has purchased approximately \$3,572,000 of equipment. As of June 30, 2012, the remaining principle balance on the lease receivable owed to the County was \$1,635,224.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 6 - E911 Lease Receivable (Continued)

Year Ending June 30,	Principal	Interest	Total
2013	\$ 251,882	\$ 108,118	\$ 360,000
2014	266,847	93,153	360,000
2015	282,785	77,215	360,000
2016	299,360	60,640	360,000
2017	317,180	42,820	360,000
2018	217,170	23,920	241,090
Total	\$ 1,635,224	\$ 405,866	\$ 2,401,090

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements/ Deletions	Balance June 30, 2012	Due Within One Year
Governmental activities:					
General obligation bonds	\$42,605,000	\$1,540,000	\$4,620,000	\$39,525,000	\$3,955,000
General obligation capital notes	420,000	1,540,000	305,000	1,655,000	335,000
Capital leases	46,189	-	7,334	38,855	8,264
Compensated absences	1,959,498	1,588,700	1,749,474	1,798,724	794,687
	<u>\$45,030,687</u>	<u>\$4,668,700</u>	<u>\$6,681,808</u>	<u>\$43,017,579</u>	<u>\$5,092,951</u>
Business-type activities					
General obligation bonds	\$ 790,000	-	\$ 180,000	\$ 610,000	\$ 80,000
Compensated absences	417,355	376,620	368,981	424,994	242,140
	<u>\$ 1,207,355</u>	<u>\$ 376,620</u>	<u>\$ 548,981</u>	<u>\$ 1,034,994</u>	<u>\$ 322,140</u>

New debt issues: On April 10, 2012, Black Hawk County issued \$1,540,000 in General Obligation Bonds, Series 2012. These bonds are due in annual installments of \$420,000 to \$170,000 through 2017 at an interest rate of 1.00%. The bonds were used to finance the costs of certain capital improvements and equipment acquisitions in the County as well as refunded \$820,000 of County debt and for the cost of issuance. This refunding resulted in a cash flow savings of \$32,770 and a present valued economic benefit of \$37,753.

On September 27, 2011, the County issued \$1,540,000 in General Obligation Capital Loan Notes, Series 2011B. These notes are due in annual installments of \$300,000 to \$320,000 through 2017 at an interest rate ranging from 0.40% to 1.15%. These bonds were used to finance the costs of equipment acquisitions and any related issuance costs.

General Obligation bonds: General obligation bonds have been issued for both governmental and business-type activities. The portion of unmatured general obligation bonds reported in the governmental activities column in the statement of net assets to be paid from the Debt Service Fund totaled \$39,525,000 as of June 30, 2012. These bonds bear interest with rates ranging from 1.00% to 5.625% and mature in varying annual amounts ranging from \$45,000 to \$1,065,000 through June 1, 2026.

The portion of unmatured general obligation bonds reported in the business-type activities column in the statement of net assets to be paid from proprietary revenues totaled \$610,000 as of June 30, 2012. These bonds bear interest with rates ranging from 3.20% to 4.00% and mature in varying annual amounts ranging from \$75,000 to \$105,000 through June 1, 2019.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 7 - Long-Term Liabilities (Continued)

General obligation capital loan notes: General obligation capital loan notes have been issued for the governmental activities. The portion of unmatured general obligation capital loan notes reported in the governmental activities column in the statement of net assets and to be paid from the Debt Service Fund totaled \$1,655,000 as of June 30, 2012. These notes bear interest with rates ranging from 0.40% to 4.71% and mature in varying annual amounts ranging from \$20,000 to \$320,000 through June 1, 2017.

Capital leases: The County has a capital lease for food service equipment with zero interest payments ranging between \$404 to \$1,020 monthly through 2016. The net book value of the equipment is \$27,383 as of June 30, 2012.

Compensated absences: Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

Summary of principal and interest maturities: Annual debt requirements to service all outstanding indebtedness as of June 30, 2012 are as follows:

Governmental Activities	General Obligation Bonds		General Obligation Capital Notes		Capital Leases	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 3,955,000	\$ 1,354,966	\$ 335,000	\$15,593	\$ 8,264	\$ -
2014	3,855,000	1,251,551	345,000	13,132	9,313	-
2015	3,745,000	1,145,176	345,000	10,128	10,494	-
2016	3,640,000	1,033,354	310,000	6,625	10,784	-
2017	3,760,000	917,108	320,000	3,680	-	-
2018-2022	15,315,000	2,752,852	-	-	-	-
2023-2026	5,255,000	358,294	-	-	-	-
	<u>\$ 39,525,000</u>	<u>\$8,813,301</u>	<u>\$ 1,655,000</u>	<u>\$49,158</u>	<u>\$ 38,855</u>	<u>\$ -</u>

Business-Type Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2013	\$ 80,000	\$ 23,539
2014	80,000	20,555
2015	85,000	17,539
2016	85,000	14,309
2017	90,000	11,045
2018-2019	190,000	11,352
	<u>\$ 610,000</u>	<u>\$ 98,339</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums of \$173,084 and discounts of \$(182,125) on the Statement of Net Assets.

GO Capital Loan Notes	\$ 1,655,000	Exhibit 1-Statement of Net Assets	
General Obligation Bonds	39,525,000	General Obligation Bonds Payable-Current	\$ 3,955,000
Unamortized Discounts	(182,125)	GO Capital Loan Notes – Current	335,000
Unamortized Premiums	173,084	General Obligation Bonds Payable- Long Term	35,566,393
		GO Capital Loan Notes – Long Term	1,314,566
	<u>\$41,170,959</u>		<u>\$41,170,959</u>

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$2,817.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 7 - Long-Term Liabilities (Continued)

The computation of the County's legal margin as of June 30, 2012 is as follows:

January 2009 assessed valuation	\$ 4,871,360,118
Debt limit, 5% of assessed valuation (Iowa Statutory Limitation)	243,568,006
Total amount of debt applicable to debt margin	41,790,000
Legal debt margin	<u>\$ 201,778,006</u>

Note 8 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Black Hawk County, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, inservice distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 9 - Employee Health Insurance Plan

The County is self-insured for its employee medical coverage. The internal service, Health Insurance Fund, was established to account for revenues and expenses of the County's health insurance benefit plan. The benefit plan is funded by both employee and County contributions and is administered by a third party administrator, First Administrators, Inc., a stop-loss insurance policy, has been obtained for the health plan to limit the amount of payments by the County on an individual basis to \$100,000 per year. The annual maximum coverage limit for the employee medical plan is \$1,000,000. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year, approximately \$6,442,146.

Monthly payments of service fees and plan contributions to the internal service, Health Insurance Fund, are recorded as expenditures from the operating funds.

Amounts payable from the internal service, Health Insurance Fund, as of June 30, 2012 totaled \$773,058 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses.

Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the claims payable in fiscal years 2012 and 2011 are as follows:

	2012	2011
Claims payable, beginning of year	\$ 879,503	\$ 726,710
Claims recognized	5,047,272	6,016,147
Claim payments and change in accrual	(5,153,717)	(5,863,354)
Claims payable, end of year	<u>\$ 773,058</u>	<u>\$ 879,503</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 10 - Risk Management

Black Hawk County is exposed to various risks of loss related to torts; theft damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to protect against errors and omissions and injuries to employees. The County is a member of the Iowa Communities Assurance Pool (ICAP). The membership in the ICAP protects against loss related to torts; theft, damage to and destruction of assets; and natural disasters. ICAP is a risk sharing pool where liability of each member is limited to their financial contribution; no member is responsible for the liabilities of any other member. The County's 2012 contribution was \$125,000. The County is responsible for the first \$50,000 of settlements. Prior to joining ICAP, the County was self-insured for various risks of loss; \$49,391 has been accrued for these run-off claims and for the deductibles of outstanding claims under the pooled plan.

	2012	2011
Claims payable, beginning of year	\$ 54,346	\$ 83,000
Claims recognized	134,500	25,010
Claim payments and change in accrual	(139,455)	(53,664)
Claims payable, end of year	<u>\$ 49,391</u>	<u>\$ 54,346</u>

Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11 - Pension and Retirement

Iowa Public Employees Retirement System - The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.38% of their annual covered salary and the County is required to contribute 8.07% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$2,363,158, \$1,967,861, and \$1,826,850, respectively, equal to the required contributions for each year.

Note 12 - Other Postemployment Benefits (OPEB)

Plan Description - The County operates a single-employer retiree benefit plan which provides self insured medical/prescription drug benefits for all active employees and retirees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with four or more years of service to be eligible for retiree benefits. Benefits cease upon attaining age 65.

No stand alone financial report is issued, the plan is self-funded and included in the County's financial statements.

Funding Policy - The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 12 - Other Postemployment Benefits (OBEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation – The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2012, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual required contribution	\$ 296,000
Interest on net OPEB obligation	44,000
Adjustment to annual required contribution	<u>(38,000)</u>
Annual OPEB cost	302,000
Contributions made	<u>(115,000)</u>
Increase in net OPEB obligation	187,000
Net OPEB obligation beginning of year	<u>987,000</u>
Net OPEB obligation end of year	<u>\$ 1,174,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2012. The general fund, secondary roads fund, rural services fund, mental health fund and Country View Care Facility fund typically fund this liability.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010, 2011 and 2012 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 302,000	38%	\$ 1,174,000
June 30, 2011	\$ 290,280	28%	\$ 987,000
June 30, 2010	\$ 362,000	2.8%	\$ 778,720

Funded Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2011 through June 30, 2012, the actuarial accrued liability was \$2,905,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,905,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$27,300,000 and the ratio of the UAAL to covered payroll was 10.6%. As of June 30, 2012, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

required supplementary information in the section following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2011 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

Assumptions also include a 3.0% rate of inflation and a 3.5% growth in payroll per annum. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 13 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2012, the County estimates that no material liabilities will result from such audits.

Pending Litigation

The County is a defendant in several lawsuits in the course of operations. In the opinion of the County Attorney and management, the resolution of such litigation will not have a material adverse effect on the future financial statements of the County.

Note 14 - Conduit Debt Obligations

The County has issued Health Care Facility and Industrial Revenue Bonds under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2012

Note 14 - Conduit Debt Obligations (Continued)

As of June 30, 2012, Industrial Revenue Bonds outstanding had an original issue amount of \$9,025,000. The outstanding balance at June 30, 2012 was \$7,248,984.

Note 15 - Construction Commitment

The County has entered into contracts totaling \$13,747,351 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2012, costs of \$7,373,327 had been incurred against the contracts. The balance of \$6,374,024 remaining at June 30, 2012 will be paid as work on the projects progress.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, ALL GOVERNMENTAL FUND TYPES, BUDGETARY BASIS**

Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property tax	\$ 29,805,722	\$ 29,805,722	\$ 29,723,659	\$ (82,063)
Other County tax	3,955,064	3,955,064	4,477,515	522,451
Interest and penalty on property tax	384,000	384,000	394,076	10,076
Intergovernmental	18,265,470	18,303,662	13,112,737	(5,190,925)
Licenses and permits	496,400	496,400	491,139	(5,261)
Charges for services	4,227,588	4,195,846	4,588,753	392,907
Use of money and property	1,150,809	1,150,809	730,816	(419,993)
Miscellaneous, primarily contributions	1,640,758	1,636,758	2,120,679	483,921
Total Revenue	59,925,811	59,928,261	55,639,374	(4,288,887)
Expenditures:				
Current operating:				
Public safety and legal services	17,514,067	18,173,600	17,484,855	688,745
Physical health and social services	8,298,399	8,177,238	7,654,874	522,364
Mental health	6,440,122	9,440,122	9,246,928	193,194
County environment and education	8,848,451	8,888,921	4,133,703	4,755,218
Roads and transportation	6,878,699	6,727,857	6,297,386	430,471
Government services to residents	1,564,010	1,575,123	1,562,243	12,880
Administration	5,740,975	5,788,201	5,092,556	695,645
Capital projects	6,890,427	18,394,965	12,100,276	6,294,689
Debt service	5,695,928	5,820,528	5,636,659	183,869
Total Expenditures	67,871,078	82,986,555	69,209,480	13,777,075
Excess (deficiency) of revenues over expenditures	(7,945,267)	(23,058,294)	(13,570,106)	9,488,188
Other financing sources (uses):				
Transfers in	2,363,170	2,363,170	2,517,777	154,607
Transfers out	(2,363,170)	(2,363,170)	(2,517,777)	(154,607)
Boond Refunding	-	-	(820,000)	(820,000)
Proceeds from sale of capital assets	-	27,000	30,240	3,240
Discounts on bonds issued	-	-	(6,468)	(6,468)
Issuance of bonds	1,730,000	1,730,000	3,080,000	1,350,000
Premiums on bonds issued	-	-	10,551	10,551
Total other financing sources (uses)	1,730,000	1,757,000	2,294,323	537,323
Net Change in Fund Balances	<u>\$ (6,215,267)</u>	<u>\$ (21,301,294)</u>	<u>(11,275,783)</u>	<u>\$ 10,025,511</u>
Fund balances - beginning of year			39,296,108	
Fund balances - end of year			<u>\$ 28,020,325</u>	

COUNTY OF BLACK HAWK, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2012

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds except Agency Funds and the Internal Service Fund, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the modified accrual budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$15,115,477. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2012, disbursements did not exceed the amounts budgeted in any of the County's functions.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
For the Year Ended June 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	*	\$ -	\$ 4,319,000	\$ 4,319,000	0.00%	\$ 22,723,576	19.0%
2010	July 1, 2009		\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 23,861,244	14.4%
2011	July 1, 2009		\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 27,072,108	12.7%
2012	July 1, 2011		\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 27,322,434	10.6%

* Fiscal 2009 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

See Note 12 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2012

	Special Revenue Funds			
	Resource Enhancement and Protection	County Recorder's Records Management	County Recorder's Electronic Fees	Sheriff's Comissary
Assets				
Cash and Pooled Investments	\$ 91,419	\$ 14,845	\$ -	\$ 146,571
Receivables:				
Accrued Interest	69	8	-	-
Accounts	-	-	-	10,280
Due from Other Governmental Agencies	-	2,553	-	-
Total Assets	91,488	17,406	-	156,851
Liabilities and Equity				
Liabilities:				
Accounts Payable	-	3,494	-	42,898
Due to Other Funds	63	-	-	-
Due to Other Governmental Agencies	2,500	-	-	-
Total Liabilities	2,563	3,494	-	42,898
Fund Balances:				
Restricted for:				
Records Management Purposes	-	13,912	-	-
Other Purposes	-	-	-	113,953
Conservation Purposes	88,925	-	-	-
Assigned for:				
Conservation Land Acquisition	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	88,925	13,912	-	113,953
Total Liabilities and Equity	\$ 91,488	\$ 17,406	\$ -	\$ 156,851

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund	Total
\$ -	\$ 713,235	\$ 27,265	\$ 993,335
-	-	-	77
-	-	-	10,280
-	-	-	2,553
-	713,235	27,265	1,006,245
29	89,020	139	135,580
-	-	-	63
-	-	-	2,500
29	89,020	139	138,143
-	-	-	13,912
-	-	-	113,953
-	624,215	-	713,140
-	-	27,126	27,126
(29)	-	-	(29)
(29)	624,215	27,126	868,102
\$ -	\$ 713,235	\$ 27,265	\$ 1,006,245

COUNTY OF BLACK HAWK, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
Year Ended June 30, 2012

	Special Revenue Funds			
	Resource Enhancement and Protection	County Recorder's Records Management	County Recorder's Electronic Fees	Sheriff's Comissary
Revenue:				
Intergovernmental	\$ 139,936	\$ -	\$ -	\$ -
Charges for services	-	24,788	-	123,208
Use of money and property	527	108	1	-
Miscellaneous	44,721	50	-	-
Total Revenue	185,184	24,946	1	123,208
Expenditures:				
Current operating:				
Public safety and legal services	-	-	-	116,931
County environment and education	140,762	-	-	-
Government services to residents	-	26,125	207	-
Total Expenditures	140,762	26,125	207	116,931
Excess (deficiency) of revenues over expenditures	44,422	(1,179)	(206)	6,277
Net Change in Fund Balances	44,422	(1,179)	(206)	6,277
Fund balances - beginning of year	44,503	15,091	206	107,676
Fund balances - end of year	\$ 88,925	\$ 13,912	\$ -	\$ 113,953

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund		Total
\$ -	\$ 45,825	\$ -	\$	185,761
-	29,969	-		177,965
-	16,003	-		16,639
-	43,058	2,388		90,217
-	134,855	2,388		470,582
-	-	-		116,931
12,207	149,406	1,338		303,713
-	-	-		26,332
12,207	149,406	1,338		446,976
(12,207)	(14,551)	1,050		23,606
(12,207)	(14,551)	1,050		23,606
12,178	638,766	26,076		844,496
\$ (29)	\$ 624,215	\$ 27,126	\$	868,102

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET ASSETS
Enterprise Nonmajor Funds
JUNE 30, 2012

	Business Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 74,728	\$ 85,210	\$ 159,938
Receivables:			
Accounts	29,310	8,328	37,638
Accrued Interest	41	51	92
Total Current Assets	104,079	93,589	197,668
Noncurrent Assets:			
Debt Issuance Cost	6,147	-	6,147
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,030,313	785,921	2,816,234
Total Noncurrent Assets	2,036,460	785,921	2,822,381
Total Assets	2,140,539	879,510	3,020,049
LIABILITIES			
Accounts Payable	1,302	14	1,316
Accrued Interest Payable	1,962	-	1,962
Current Portion of General Obligation Bonds	80,000	-	80,000
Total Current Liabilities	83,264	14	83,278
Noncurrent Liabilities:			
Due in more than one year:			
General Obligation Bonds	527,184	-	527,184
Total Noncurrent Liabilities	527,184	-	527,184
Total Liabilities	610,448	14	610,462
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,423,129	785,921	2,209,050
Unrestricted	106,962	93,575	200,537
Total Net Assets	\$ 1,530,091	\$ 879,496	\$ 2,409,587

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Enterprise Nonmajor Funds
Year Ended June 30, 2012

	Business Type Activities		
	Rural Sewer	Rural Water	Total
Operating Revenues:			
Charges for Services	\$ 206,923	\$ 56,928	\$ 263,851
Operating Expenses:			
Contract Services	40,295	11,966	52,261
Repairs and Improvements	39,391		39,391
Utilities	3,008		3,008
Amortization	878		878
Depreciation	128,739	66,729	195,468
Total Operating Expenses	212,311	78,695	291,006
Operating (Loss)	(5,388)	(21,767)	(27,155)
Non-Operating Income (Expenses):			
Interest Income	709	1,056	1,765
Interest Expense	(26,491)	(3,527)	(30,018)
Total Non-Operating Income	(25,782)	(2,471)	(28,253)
Change in Net Assets	(31,170)	(24,238)	(55,408)
Net Assets - Beginning	1,561,261	903,734	2,464,995
Net Assets - Ending	\$ 1,530,091	\$ 879,496	\$ 2,409,587

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Enterprise Nonmajor Funds
Year Ended June 30, 2012

	Business Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 211,839	\$ 57,696	\$ 269,535
Cash Paid to Suppliers for Goods and Services	(83,038)	(11,965)	(95,003)
Net Cash Provided by Operating Activities	128,801	45,731	174,532
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital loan notes and bonds	(75,000)	(105,000)	(180,000)
Interest paid on capital loan bonds and notes	(26,319)	(3,465)	(29,784)
Net Cash (Used) for Capital and Related Financing Activities	(101,319)	(108,465)	(209,784)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	694	1,090	1,784
Net Increase (Decrease) in Cash and Cash Equivalents	28,176	(61,644)	(33,468)
Cash and Cash Equivalents at Beginning of Year	46,552	146,854	193,406
Cash and Cash Equivalents at End of Year	\$ 74,728	\$ 85,210	\$ 159,938
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (5,388)	\$ (21,767)	\$ (27,155)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
Amortization	878	-	878
Miscellaneous Non-Operating Income			-
(Increase) Decrease in Assets:			
Accounts Receivable	4,916	768	5,684
Increase (Decrease) in Liabilities:			
Accounts Payable	(344)	1	(343)
Total Adjustments	134,189	67,498	201,687
Net Cash Provided by Operating Activities	\$ 128,801	\$ 45,731	\$ 174,532

COUNTY OF BLACK HAWK, IOWA
Combining Statement of Net Assets
Internal Service Funds
JUNE 30, 2012

ASSETS	Health Insurance	Self-Insurance	Office Equipment	Total
<u>Current Assets</u>				
Cash and Pooled Investments	\$ 7,621,043	\$ 480,664	\$ 73,024	\$8,174,731
Receivables:				
Accrued Interest	4,453	238	42	4,733
Accounts Receivable	26,362	-	-	26,362
Total Assets	7,651,858	480,902	73,066	8,205,826
 <u>LIABILITIES</u>				
<u>Current Liabilities</u>				
Accounts Payable	4,553	-	-	4,553
Accrued Claims	773,058	49,391	-	822,449
Total Current Liabilities	777,611	49,391	-	827,002
Total Liabilities	777,611	49,391	-	827,002
 <u>NET ASSETS</u>				
Unrestricted	\$ 6,874,247	\$ 431,511	\$ 73,066	\$7,378,824

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Internal Service Funds
Year Ended June 30, 2012

	Health Insurance	Self-Insurance	Office Equipment	Total
Operating revenues:				
Charges for services to operating funds	\$ 5,712,563	\$ 141,081	\$ 50,000	\$5,903,644
Total operating revenue	<u>5,712,563</u>	<u>141,081</u>	<u>50,000</u>	<u>5,903,644</u>
Operating expenses:				
Contract Services	5,452,530	49,042	10,689	5,512,261
Total operating expenses	<u>5,452,530</u>	<u>49,042</u>	<u>10,689</u>	<u>5,512,261</u>
Operating income	260,033	92,039	39,311	391,383
Nonoperating income:				
Revenues and Interest on investments	49,079	2,478	280	51,837
Change in Net Assets	309,112	94,517	39,591	443,220
Net assets- beginning	<u>6,565,135</u>	<u>336,994</u>	<u>33,475</u>	<u>6,935,604</u>
Net assets - ending	<u>\$ 6,874,247</u>	<u>\$ 431,511</u>	<u>\$ 73,066</u>	<u>\$7,378,824</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
Year Ended June 30, 2012

	Health Insurance	Self-Insurance	Office Equipment	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 5,700,432	\$ 141,081	\$ 50,000	\$ 5,891,513
Cash paid for claims and administrative provider	(5,557,814)	(56,767)	-	(5,614,581)
Cash paid to suppliers for services	-	-	(11,501)	(11,501)
Net cash provided from operating activities	142,618	84,314	38,499	265,431
Cash flows from investing activities:				
Interest on investments	49,082	2,423	260	51,765
Net increase in cash and cash equivalents	191,700	86,737	38,759	317,196
Cash and pooled investments - beginning of year	7,429,343	393,927	34,265	7,857,535
Cash and pooled investments - end of year	\$ 7,621,043	\$ 480,664	\$ 73,024	\$ 8,174,731
Reconciliation of operating loss to net cash used in operating activities:				
Operating income	260,033	92,039	39,311	391,383
(Increase) Decrease in Assets:				
Accounts receivable	(7,410)	-	-	(7,410)
Increase (Decrease) in Liabilities:				
Accounts payable	1,161	(2,770)	(812)	(2,421)
Claims payable	(106,445)	(4,955)	-	(111,400)
Unearned Revenue	(4,721)	-	-	(4,721)
Net cash provided from operating activities	\$ 142,618	\$ 84,314	\$ 38,499	\$ 265,431

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2012

	Balance July 1, 2011	Addi- tions	Deduc- tions	Balance June 30, 2012
County Offices Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 732,043	\$ 634,883	\$ 732,043	\$ 634,883
Property Tax and Other Receivables	2,376	2,299	2,375	2,300
Total Assets	<u>734,419</u>	<u>637,182</u>	<u>734,418</u>	<u>637,183</u>
<i>Liabilities</i>				
Trust Payable	663,406	389,584	663,406	389,584
Due to Other Governments	71,013	247,598	71,012	247,599
Total Liabilities	<u>734,419</u>	<u>637,182</u>	<u>734,418</u>	<u>637,183</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	3,207	384,526	384,070	3,663
Property Tax and Other Receivables	376,637	427,901	376,637	427,901
Total Assets	<u>379,844</u>	<u>812,427</u>	<u>760,707</u>	<u>431,564</u>
<i>Liabilities</i>				
Due to Other Governments	379,844	435,790	384,070	431,564
Total Liabilities	<u>379,844</u>	<u>435,790</u>	<u>384,070</u>	<u>431,564</u>
County Assessor Fund				
<i>Assets</i>				
Cash and Pooled Investments	1,086,882	1,063,009	1,023,815	1,126,076
Property Tax and Other Receivable	1,002,680	1,324,684	1,002,680	1,324,684
Total Assets	<u>2,089,562</u>	<u>2,387,693</u>	<u>2,026,495</u>	<u>2,450,760</u>
<i>Liabilities</i>				
Accounts Payable	44,268	20,833	50,211	14,890
Due to Other Governments	2,045,294	2,435,864	2,045,288	2,435,870
Total Liabilities	<u>2,089,562</u>	<u>2,456,697</u>	<u>2,095,499</u>	<u>2,450,760</u>
Schools Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	649,695	68,475,095	68,456,685	668,105
Property Tax and Other Receivable	67,084,901	70,096,043	67,084,901	70,096,043
Total Assets	<u>67,734,596</u>	<u>138,571,138</u>	<u>135,541,586</u>	<u>70,764,148</u>
<i>Liabilities</i>				
Due to Other Governments	67,734,596	71,486,237	68,456,685	70,764,148
Total Liabilities	<u>\$ 67,734,596</u>	<u>\$ 71,486,237</u>	<u>\$ 68,456,685</u>	<u>\$ 70,764,148</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2012

	Balance July 1, 2011	Addi- tions	Deduc- tions	Balance June 30, 2012
Community College Taxing District				
Assets				
Cash and Pooled Investments	\$ 41,728	\$ 4,424,198	\$ 4,423,558	\$ 42,368
Property Tax and Other Receivable	4,336,101	4,666,611	4,336,100	4,666,612
Total Asset	<u>4,377,829</u>	<u>9,090,809</u>	<u>8,759,658</u>	<u>4,708,980</u>
Liabilities				
Due to Other Governments	4,377,829	4,754,709	4,423,558	4,708,980
Total Liabilities	<u>4,377,829</u>	<u>4,754,709</u>	<u>4,423,558</u>	<u>4,708,980</u>
Corporations Taxing District Fund				
Assets				
Cash and Pooled Investments	673,548	74,095,573	73,985,514	783,607
Property Tax and Other Receivable	72,837,925	76,627,647	72,837,924	76,627,648
Total Assets	<u>73,511,473</u>	<u>150,723,220</u>	<u>146,823,438</u>	<u>77,411,255</u>
Liabilities				
Due to Other Governments	73,511,473	77,885,296	73,985,514	77,411,255
Total Liabilities	<u>73,511,473</u>	<u>77,885,296</u>	<u>73,985,514</u>	<u>77,411,255</u>
City Special Assessments Fund				
Assets				
Cash and Pooled Investments	17,830	229,624	195,675	51,779
Property Tax and Other Receivable	103,533	113,374	103,533	113,374
Total Assets	<u>121,363</u>	<u>342,998</u>	<u>299,208</u>	<u>165,153</u>
Liabilities				
Due to Other Governments	121,363	239,466	195,676	165,153
Total Liabilities	<u>\$ 121,363</u>	<u>\$ 239,466</u>	<u>\$ 195,676</u>	<u>\$ 165,153</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2012

	Balance July 1, 2011	Addi- tions	Deduc- tions	Balance June 30, 2012
Auto License and Use Tax Fund				
Assets				
Cash and Pooled Investments	\$ 2,554,260	\$ 31,243,985	\$ 31,216,750	\$ 2,581,495
Property Tax and Other Receivable	130,678	142,433	130,679	142,432
Total Assets	<u>2,684,938</u>	<u>31,386,418</u>	<u>31,347,429</u>	<u>2,723,927</u>
Liabilities				
Due to Other Governments	<u>2,684,938</u>	<u>31,255,739</u>	<u>31,216,750</u>	<u>2,723,927</u>
Total Liabilities	<u>2,684,938</u>	<u>31,255,739</u>	<u>31,216,750</u>	<u>2,723,927</u>
Payroll Clearing Fund				
Assets				
Cash and Pooled Investments	-	14,872,610	14,872,610	-
Total Assets	<u>-</u>	<u>14,872,610</u>	<u>14,872,610</u>	<u>-</u>
Liabilities				
Due to Other Governments	-	17,346,229	17,346,229	-
Total Liabilities	<u>-</u>	<u>17,346,229</u>	<u>17,346,229</u>	<u>-</u>
Other Funds				
Assets				
Cash and Pooled Investments	1,500,702	5,160,813	5,320,616	1,340,899
Property Tax and Other Receivable	573,497	579,206	573,496	579,207
Total Assets	<u>2,074,199</u>	<u>5,740,019</u>	<u>5,894,112</u>	<u>1,920,106</u>
Liabilities				
Trust Payable	759,497	3,433,320	3,426,203	766,614
Accounts Payable and Accrued Liabilities	101,963	46,292	51,961	96,294
Due to Other Governments	1,212,739	1,122,342	1,277,883	1,057,198
Total Liabilities	<u>2,074,199</u>	<u>4,601,954</u>	<u>4,756,047</u>	<u>1,920,106</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2012

	Balance July 1, 2011	Addi- tions	Deduc- tions	Balance June 30, 2012
Total All Agency Funds				
Assets				
Cash and Pooled Investments	\$ 7,259,895	\$ 200,584,316	\$ 200,611,336	\$ 7,232,875
Property Tax and Other Receivable	146,448,328	153,980,198	146,448,325	153,980,201
Total Assets	<u>153,708,223</u>	<u>354,564,514</u>	<u>347,059,661</u>	<u>161,213,076</u>
Liabilities				
Accounts Payable	146,231	67,125	102,172	111,184
Due to Other Governments	152,139,089	207,209,270	199,402,665	159,945,694
Trusts Payable	1,422,903	3,822,904	4,089,609	1,156,198
Total Liabilities	<u>\$ 153,708,223</u>	<u>\$ 211,099,299</u>	<u>\$ 203,594,446</u>	<u>\$ 161,213,076</u>

Black Hawk County, Iowa

Statistical Section

Contents

The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	67
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	79
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	86
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	91
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	93

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

Black Hawk County, Iowa

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 32,483,621	\$ 35,228,458	\$ 37,693,275
Restricted	12,221,319	9,612,277	1,798,441
Unrestricted	(739,318)	(162,376)	9,368,982
Total governmental activities net assets	\$ 43,965,622	\$ 44,678,359	\$ 48,860,698
Business-type activities:			
Invested in capital assets, net of related debt	\$ 2,714,369	\$ 2,583,887	\$ 2,522,274
Restricted	-	-	-
Unrestricted	323,911	441,743	413,494
Total business-type activities net assets	\$ 3,038,280	\$ 3,025,630	\$ 2,935,768
Primary government:			
Invested in capital assets, net of related debt	\$ 35,197,990	\$ 37,812,345	\$ 40,215,549
Restricted	12,221,319	9,612,277	1,798,441
Unrestricted	(415,407)	279,367	9,782,476
Total primary government net assets	\$ 47,003,902	\$ 47,703,989	\$ 51,796,466

Source: County records

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$ 41,703,511	\$ 44,413,745	\$ 46,981,577	\$ 49,946,957	\$ 55,621,608	\$ 52,154,674	\$ 55,310,782
7,517,884	6,502,517	6,350,678	10,351,227	6,790,101	13,742,221	13,455,391
4,471,819	5,949,336	10,807,901	12,996,278	12,239,242	14,958,730	14,909,502
\$ 53,693,214	\$ 56,865,598	\$ 64,140,156	\$ 73,294,462	\$ 74,650,951	\$ 80,855,625	\$ 83,675,675
\$ 2,449,044	\$ 1,438,878	\$ 1,461,863	\$ 2,277,715	\$ 2,251,494	\$ 5,369,297	\$ 4,600,839
-	953,156	873,765	-	-	-	-
420,879	408,493	324,739	325,564	283,836	1,181,802	2,681,600
\$ 2,869,923	\$ 2,800,527	\$ 2,660,367	\$ 2,603,279	\$ 2,535,330	\$ 6,551,099	\$ 7,282,439
\$ 44,152,555	\$ 45,852,623	\$ 48,443,440	\$ 52,224,672	\$ 57,873,102	\$ 57,523,971	\$ 59,911,621
7,517,884	7,455,673	7,224,443	10,351,227	6,790,101	13,742,221	13,455,391
4,892,698	6,357,829	11,132,640	13,321,842	12,523,078	16,140,532	17,591,102
\$ 56,563,137	\$ 59,666,125	\$ 66,800,523	\$ 75,897,741	\$ 77,186,281	\$ 87,406,724	\$ 90,958,114

Black Hawk County, Iowa

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 14,701,804	\$ 15,086,366	\$ 14,902,387
Physical health and social services	9,815,672	9,612,529	9,340,367
Mental health	18,136,480	19,056,283	19,594,365
County environment and education	2,113,189	3,236,159	2,253,945
Roads and transportation	4,838,006	5,006,474	4,172,656
Governmental services to residents	1,487,293	1,402,273	1,459,390
Administration	5,210,707	5,033,561	4,764,053
Nonprogram	285,192	343,994	-
Interest on long-term debt	608,305	506,881	448,283
Total governmental activities expenses	57,196,648	59,284,520	56,935,446
Business-type activities:			
Rural sewer	223,164	229,922	237,628
Rural water	109,192	143,930	84,261
Country View Care Facility**	-	-	-
Total business-type activities expenses	332,356	373,852	321,889
Total government expenses	\$ 57,529,004	\$ 59,658,372	\$ 57,257,335
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 1,007,559	\$ 1,280,802	\$ 713,135
Physical health and social services	2,196,194	3,420,811	1,178,374
Mental health	7,597,191	6,324,842	1,404,823
County environment and education	425,747	550,967	424,511
Roads and transportation	48,954	201,955	4,096
Governmental services to residents	1,917,368	1,915,475	1,786,679
Administration	1,334,891	756,928	721,527
Nonprogram	323,150	340,916	-
Operating grants and contributions	13,781,743	15,022,972	22,089,424
Capital grants and contributions	3,363,223	1,889,661	1,914,812
Total governmental activities program revenues	31,996,020	31,705,329	30,237,381
Business-type activities:			
Charges for services:			
Rural sewer	160,827	161,924	141,156
Rural water	116,586	98,438	88,742
Country View Care Facility*	-	-	-
Operating grants and contributions	-	-	-
Total business-type activities program revenues	277,413	260,362	229,898
Total government program revenues	\$ 32,273,433	\$ 31,965,691	\$ 30,467,279

(Continued)

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$ 15,997,089	\$ 14,899,182	\$ 15,213,200	\$ 15,871,852	\$ 16,737,313	\$ 17,708,648	\$ 17,614,051
10,331,387	10,640,808	10,942,877	12,192,983	11,695,480	8,344,752	7,711,949
20,128,555	21,030,553	21,301,854	19,914,329	20,535,742	2,874,676	9,248,329
2,315,684	2,908,155	2,404,401	5,871,685	4,460,783	4,554,435	3,619,566
5,731,706	5,895,167	6,738,742	7,305,032	6,983,934	7,761,476	8,057,683
1,501,746	1,534,397	1,836,987	2,515,000	2,131,600	1,563,909	1,626,233
4,773,716	5,020,133	5,274,253	5,463,590	5,767,744	5,253,070	5,159,646
-	-	-	-	-	-	-
433,064	422,793	453,455	1,020,416	1,226,964	1,371,330	1,518,393
61,212,947	62,351,188	64,165,769	70,154,887	69,539,560	49,432,296	54,555,850
229,229	292,510	324,573	276,608	248,272	253,880	238,802
93,589	86,273	82,386	81,838	78,045	90,506	82,222
-	-	-	-	-	11,096,457	11,606,877
322,818	378,783	406,959	358,446	326,317	11,440,843	11,927,901
\$ 61,535,765	\$ 62,729,971	\$ 64,572,728	\$ 70,513,333	\$ 69,865,877	\$ 60,873,139	\$ 66,483,751
\$ 872,871	\$ 843,694	\$ 901,593	\$ 933,657	\$ 1,037,347	\$ 2,237,579	\$ 2,337,436
1,419,539	1,427,374	1,401,837	1,418,603	1,479,510	1,018,620	998,478
1,453,995	1,464,696	1,686,870	1,818,427	1,760,556	58,210	48,814
412,542	470,176	525,109	500,511	491,836	557,394	633,515
3,957	3,835	6,167	5,922	5,989	13,389	24,913
1,813,549	1,760,240	1,672,055	1,636,723	1,712,826	1,769,692	1,881,925
858,011	918,388	865,750	750,314	936,159	691,587	964,040
-	-	-	-	-	-	-
23,594,453	24,172,120	26,083,543	32,506,243	25,737,204	11,149,510	10,539,342
3,213,418	1,419,484	2,444,339	3,616,441	1,481,509	4,672,902	3,548,186
33,642,335	32,480,007	35,587,263	43,186,841	34,642,936	22,168,883	20,976,649
179,670	190,289	165,970	200,579	198,287	188,650	206,923
73,934	87,325	63,024	64,513	59,659	62,483	56,928
-	-	-	-	-	13,271,064	12,303,826
-	20,704	2,761	-	-	-	-
253,604	298,318	231,755	265,092	257,946	13,522,197	12,567,677
\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326

Black Hawk County, Iowa

Changes in Net Assets (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Net (expense)/revenue:			
Governmental activities	\$ (25,626,983)	\$ (27,931,804)	\$ (26,698,065)
Business-type activities	(54,943)	(113,490)	(91,991)
Total government net expense	\$ (25,681,926)	\$ (28,045,294)	\$ (26,790,056)
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	\$ 23,363,148	\$ 24,184,410	\$ 24,159,740
Other taxes	2,177,355	2,333,081	3,444,459
State tax replacement credits	1,755,456	1,212,641	1,151,699
Unrestricted grants and contributions	-	38,850	-
Investment earnings	714,133	467,567	681,081
Gain on disposal of capital assets	2,867	16,443	-
Miscellaneous	80,467	38,936	1,443,425
Total governmental activities	28,093,426	28,291,928	30,880,404
Business-type activities:			
Unrestricted grants and contributions	-	95,000	-
Investment earnings	3,872	5,840	2,129
Miscellaneous	3,775	-	-
Total business-type activities	7,647	100,840	2,129
Total government	\$ 28,101,073	\$ 28,392,768	\$ 30,882,533
Change in net assets:			
Governmental activities	\$ 2,892,798	\$ 712,737	\$ 4,182,339
Business-type activities	(47,296)	(12,650)	(89,862)
Total primary government	\$ 2,845,502	\$ 700,087	\$ 4,092,477

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$ (27,570,612)	\$ (29,871,181)	\$ (28,578,506)	\$ (26,968,046)	\$ (34,896,624)	\$ (27,263,413)	\$ (33,579,201)
(69,214)	(80,465)	(175,204)	(93,354)	(68,371)	2,081,354	639,776
\$ (27,639,826)	\$ (29,951,646)	\$ (28,753,710)	\$ (27,061,400)	\$ (34,964,995)	\$ (25,182,059)	\$ (32,939,425)
\$ 25,330,735	\$ 25,487,836	\$ 25,967,840	\$ 27,593,677	\$ 28,083,985	\$ 29,656,058	\$ 30,719,060
3,601,967	3,482,384	4,139,438	4,358,516	4,352,102	3,587,407	3,785,891
1,179,717	1,145,229	1,102,343	1,082,828	1,122,280	875,035	864,425
-	-	-	-	-	-	-
1,069,135	1,605,979	1,372,116	1,198,968	914,311	605,731	341,262
18,803	-	-	-	-	12,481	40,207
1,202,771	1,322,137	3,271,327	1,888,363	1,780,435	586,432	658,450
32,403,128	33,043,565	35,853,064	36,122,352	36,253,113	35,323,144	36,409,295
-	-	-	-	-	20,748	-
3,369	5,796	35,044	36,266	422	2,170	1,765
-	5,273	-	-	-	56,440	79,755
3,369	11,069	35,044	36,266	422	79,358	81,520
\$ 32,406,497	\$ 33,054,634	\$ 35,888,108	\$ 36,158,618	\$ 36,253,535	\$ 35,402,502	\$ 36,490,815
\$ 4,832,516	\$ 3,172,384	\$ 7,274,558	\$ 9,154,306	\$ 1,356,489	\$ 8,059,731	\$ 2,830,094
(65,845)	(69,396)	(140,160)	(57,088)	(67,949)	2,160,712	721,296
\$ 4,766,671	\$ 3,102,988	\$ 7,134,398	\$ 9,097,218	\$ 1,288,540	\$ 10,220,443	\$ 3,551,390

Black Hawk County, Iowa

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund:					
Reserved	\$ 2,045,153	\$ 1,510,314	\$ 1,803,573	\$ 2,503,998	\$ 3,014,288
Unreserved	2,522,268	2,752,442	3,544,707	3,659,487	4,418,391
Nonspendable ¹	-	-	-	-	-
Restricted ¹	-	-	-	-	-
Committed ¹	-	-	-	-	-
Assigned ¹	-	-	-	-	-
Unassigned ¹	-	-	-	-	-
Total General Fund	\$ 4,567,421	\$ 4,262,756	\$ 5,348,280	\$ 6,163,485	\$ 7,432,679
All other governmental funds:					
Reserved	788,579	685,309	869,962	2,651,862	2,889,269
Unreserved for:					
Special Revenue Fund	6,884,985	6,595,798	6,415,129	5,744,807	3,915,859
Capital Projects Fund	1,731,486	963,285	236,745	(39,861)	35,927
Nonspendable ¹	-	-	-	-	-
Restricted ¹	-	-	-	-	-
Committed ¹	-	-	-	-	-
Assigned ¹	-	-	-	-	-
Unassigned ¹	-	-	-	-	-
Total All Other Government Funds	\$ 9,405,050	\$ 8,244,392	\$ 7,521,836	\$ 8,356,808	\$ 6,841,055
Total Government Funds					
Reserved	2,833,732	2,195,623	2,673,535	5,155,860	5,903,557
Unreserved for:					
General Fund	2,522,268	2,752,442	3,544,707	3,659,487	4,418,391
Special Revenue Fund	6,884,985	6,595,798	6,415,129	5,744,807	3,915,859
Capital Projects Fund	1,731,486	963,285	236,745	(39,861)	35,927
Nonspendable ¹	-	-	-	-	-
Restricted ¹	-	-	-	-	-
Committed ¹	-	-	-	-	-
Assigned ¹	-	-	-	-	-
Unassigned ¹	-	-	-	-	-
Total Government Funds	\$ 13,972,471	\$ 12,507,148	\$ 12,870,116	\$ 14,520,293	\$ 14,273,734

(1) The County implemented GASB 54 in FY2011, which changed fund balance classifications for periods beginning after June 15, 2010.

Source: County records

Fiscal Year					
2008	2009	2010	2011	2012	
\$ 3,014,288	\$ 3,849,541	\$ 3,230,289	\$ -	\$ -	
7,993,680	7,023,597	7,009,230	-	-	
-	-	-	-	-	
-	-	-	3,973,689	4,338,973	
-	-	-	905,202	424,083	
-	-	-	-	-	
-	-	-	6,889,135	8,666,837	
\$ 11,007,968	\$ 10,873,138	\$ 10,239,519	\$ 11,768,026	\$ 13,429,893	
14,316,183	8,042,035	10,061,865		-	
				-	
4,253,897	6,526,298	3,807,069	-	-	
12,789	(297,364)	(432,789)	-	-	
-	-	-	350,881	363,567	
-	-	-	27,151,125	14,199,768	
-	-	-	-	-	
-	-	-	26,076	27,126	
-	-	-	-	(29)	
\$ 18,582,869	\$ 14,270,969	\$ 13,436,145	\$ 27,528,082	\$ 14,590,432	
17,330,471	11,891,576	13,292,154	-	-	
7,993,680	7,023,597	7,009,230	-	-	
4,253,897	6,526,298	3,807,069	-	-	
12,789	(297,364)	(432,789)	-	-	
-	-	-	350,881	363,567	
-	-	-	31,124,814	18,538,741	
-	-	-	905,202	424,083	
-	-	-	26,076	27,126	
-	-	-	6,889,135	8,666,808	
\$ 29,590,837	\$ 25,144,107	\$ 23,675,664	\$ 39,296,108	\$ 28,020,325	

Black Hawk County, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Revenues:				
Property and other County tax	\$ 25,555,766	\$ 26,515,030	\$ 27,604,199	\$ 28,548,171
Interest and penalty on property tax	339,343	311,147	322,842	345,844
Intergovernmental	24,073,274	23,937,462	25,455,131	24,895,285
Licenses and permits	342,815	355,781	366,377	359,161
Charges for service	4,624,478	4,843,972	5,430,239	5,912,720
Use of money and property	905,556	774,126	892,949	1,185,643
Miscellaneous	1,126,149	1,103,945	1,226,929	1,074,547
Total revenues	56,967,381	57,841,463	61,298,666	62,321,371
Expenditures:				
Public safety and legal services	14,250,874	14,477,334	14,915,737	15,177,369
Physical health and social services	9,742,599	9,430,765	9,325,786	10,356,702
Mental health	18,218,133	18,883,439	19,720,045	20,236,700
County environment and education	1,979,881	1,890,308	2,381,472	2,242,623
Roads and transportation	3,937,977	3,757,121	4,387,687	4,312,500
Governmental services to residents	1,493,129	1,383,953	1,512,553	1,492,111
Administration	5,028,006	4,914,851	4,541,497	4,604,180
Debt service:				
Interest	615,149	493,750	449,919	430,187
Principal	3,084,847	2,427,027	2,370,000	2,317,182
Debt issuance costs	-	-	-	51,241
Capital projects	1,308,079	4,214,097	1,667,820	2,367,104
Total expenditures	59,658,674	61,872,645	61,272,516	63,587,899
Excess of revenues over (under) expenditures	(2,691,293)	(4,031,182)	26,150	(1,266,528)
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	307	1,470	3,818	76,751
Transfers in	1,838,002	1,807,392	1,635,204	1,624,082
Transfers out	(1,838,002)	(1,807,392)	(1,635,204)	(1,749,082)
Repayments of advances from other funds	600,005	-	-	-
General obligation bonds and notes issued	2,665,000	3,035,000	-	2,980,000
Redemption of refunded bonds	-	-	-	-
Discount on general obligation bonds and notes	(13,653)	(17,810)	-	(15,046)
Premiums on Bonds Issued	-	-	-	-
Insurance proceeds	-	-	-	-
Payments received on capital lease receivable	-	-	-	-
Lease income	-	-	333,000	-
Capital lease purchase refunding	-	(524,853)	-	-
Total other financing sources (uses)	3,251,659	2,493,807	336,818	2,916,705
Net change in fund balances	\$ 560,366	\$ (1,537,375)	\$ 362,968	\$ 1,650,177
Debt service as % of noncapital expenditures	6.49%	4.88%	4.97%	4.49%

Source: County records

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 28,940,081	\$ 30,128,426	\$ 31,932,977	\$ 32,268,714	\$ 32,978,105	\$ 34,201,174
359,860	501,651	404,936	410,634	390,102	394,076
25,832,554	27,337,150	33,107,903	26,983,363	15,642,743	13,112,737
357,952	503,428	494,664	485,311	495,724	491,139
5,916,816	5,966,101	6,133,983	6,444,766	4,384,639	4,588,753
1,588,001	1,347,329	1,175,036	1,492,422	1,081,883	730,816
1,437,258	1,526,478	1,628,863	1,822,656	1,945,529	2,120,679
64,432,522	67,310,563	74,878,362	69,907,866	56,918,725	55,639,374
14,644,919	15,147,782	16,202,010	17,080,739	17,456,467	17,484,855
10,700,336	11,133,191	12,443,549	11,901,238	8,209,118	7,654,874
21,172,522	21,699,357	20,469,347	21,254,887	2,872,865	9,246,928
2,769,241	2,366,295	6,210,048	4,971,752	5,911,886	4,133,703
4,320,351	5,199,582	5,740,813	5,099,989	5,559,563	6,297,386
1,525,049	1,519,451	1,846,197	1,729,895	1,501,987	1,562,243
4,925,462	5,134,223	5,295,627	5,506,549	5,541,663	5,092,556
429,266	415,697	1,009,945	1,192,563	1,275,881	1,472,757
2,103,093	2,322,725	3,300,126	3,965,776	3,046,508	4,112,334
23,112	69,904	76,995	43,145	100,714	51,568
3,569,460	2,015,652	11,560,272	6,931,728	8,726,249	12,100,276
66,182,811	67,023,859	84,154,929	79,678,261	60,202,901	69,209,480
(1,750,289)	286,704	(9,276,567)	(9,770,395)	(3,284,176)	(13,570,106)
3,530	1,506,229	1,023	55,649	-	30,240
1,701,065	1,860,555	1,991,922	2,083,911	2,129,046	2,517,777
(1,701,065)	(1,860,555)	(1,991,922)	(2,083,911)	(2,222,768)	(2,517,777)
-	-	-	-	-	-
2,010,000	13,260,000	3,863,600	8,290,000	18,905,000	3,080,000
(500,000)	-	-	-	-	(820,000)
(9,800)	(74,315)	(30,400)	(66,320)	(88,301)	(6,468)
-	-	-	-	181,643	-
-	338,485	283,305	22,623	-	10,551
-	-	712,309	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,503,730	15,030,399	4,829,837	8,301,952	18,904,620	2,294,323
\$ (246,559)	\$ 15,317,103	\$ (4,446,730)	\$ (1,468,443)	\$ 15,620,444	\$ (11,275,783)
4.04%	4.23%	5.93%	7.15%	9.12%	10.71%

Black Hawk County, Iowa

Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Function / Program	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Public safety and legal services	\$ 3,251,994	\$ 3,526,059	\$ 3,215,931
Physical health and social services	4,062,996	5,748,433	4,980,027
Mental health	13,585,874	12,686,421	13,204,719
County environment and education	731,487	826,226	725,917
Roads and transportation	6,317,988	4,838,983	5,063,526
Governmental services to residents	1,917,368	1,937,386	1,829,095
Administration	1,720,139	1,494,806	1,218,166
Nonprogram	323,150	340,916	-
Interest on long-term debt	85,024	306,099	-
Total governmental activities	31,996,020	31,705,329	30,237,381
Business-type activities:			
Rural sewer	160,827	161,924	141,156
Rural water	116,586	98,438	88,742
Country View Care Facility*	-	-	-
Total business-type activities	277,413	260,362	229,898
Total government	\$ 32,273,433	\$ 31,965,691	\$ 30,467,279

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$ 3,595,716	\$ 2,672,347	\$ 2,817,366	\$ 3,025,628	\$ 2,935,329	\$ 4,596,276	\$ 4,543,611
5,580,813	5,734,785	6,578,669	8,489,683	7,356,412	4,360,327	4,193,830
14,093,443	15,529,395	16,389,743	17,201,625	12,586,504	561,339	506,910
626,765	783,596	861,542	3,655,514	2,555,491	4,592,852	2,536,371
6,344,156	4,506,350	5,778,396	7,326,096	4,529,550	4,476,977	5,522,567
2,057,134	1,789,887	1,771,488	1,724,611	2,107,594	1,793,214	1,967,223
1,344,308	1,463,647	1,390,059	1,763,684	2,572,056	1,787,898	1,706,137
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,642,335	32,480,007	35,587,263	43,186,841	34,642,936	22,168,883	20,976,649
179,670	210,993	168,731	200,579	198,287	188,650	206,923
73,934	87,325	63,024	64,513	59,659	62,483	56,928
-	-	-	-	-	13,271,064	12,303,826
253,604	298,318	231,755	265,092	257,946	13,522,197	12,567,677
\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326

Black Hawk County, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year		Property		Local Option Sales Tax		Utility Replacement Excise Tax		Other Tax		Total
2003	\$	22,393,437	\$	2,177,356	\$	896,232	\$	88,741	\$	25,555,766
2004		23,113,925		2,333,080		976,088		91,937		26,515,030
2005		24,159,740		2,411,109		921,881		111,469		27,604,199
2006		24,942,457		2,605,674		904,326		95,714		28,548,171
2007		25,438,232		2,496,495		887,759		102,773		28,940,081
2008		25,954,609		2,787,561		869,608		516,648		30,128,426
2009		27,574,461		2,896,574		964,312		497,630		31,932,977
2010		28,046,535		2,773,380		950,249		498,550		32,268,714
2011		28,571,374		2,924,158		915,122		507,099		32,917,753
2012	\$	29,723,659	\$	2,972,672	\$	976,129	\$	526,780	\$	34,199,240
Change										
2003-2012		32.73%		36.53%		8.91%		493.62%		33.82%

Source: County records

Black Hawk County, Iowa

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property	TIF Property	Other Property	Less: Military Tax-Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate Urban
2003	1,771,183	828,732	116,518	292,674	125,561	220,161	16,607	3,338,222	7.62
2004	1,788,705	870,636	119,968	295,557	146,650	199,469	16,054	3,404,931	7.75
2005	1,933,806	1,009,717	117,602	233,745	202,216	195,247	15,259	3,677,074	7.49
2006	1,953,383	1,018,912	119,013	234,112	213,333	187,134	14,650	3,711,237	7.61
2007	2,076,900	1,045,299	123,095	249,026	268,567	191,819	14,577	3,940,129	7.39
2008	2,123,552	1,061,673	122,062	249,456	284,869	182,834	14,279	4,009,967	7.41
2009	2,263,853	1,180,234	117,722	259,931	347,247	198,667	15,283	4,352,371	6.94
2010	2,405,460	1,193,974	119,012	273,699	383,558	206,079	14,975	4,566,807	6.71
2011	2,502,546	1,186,978	120,459	274,346	416,892	208,213	13,403	4,696,031	6.67
2012	2,642,989	1,200,554	118,995	286,322	419,779	215,751	13,031	4,871,360	6.60

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Note: Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

Tax rates are per \$1,000 of assessed value.

Black Hawk County, Iowa

**Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars in thousands)
(Unaudited)**

Taxpayer	2003			2012		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 118,642	1	3.69%	\$ 174,752	1	3.93%
Deere and Company	39,698	2	1.24	30,117	8	0.68
U. S. West, Inc.	35,872	3	1.12	-	-	-
Iowa Beef Pack Inc.	20,711	6	0.64	-	-	-
College Square Mall Partners, LLC	28,685	4	0.89	30,336	7	0.68
Equitable Life Assurance Soc.	25,205	5	0.78	-	-	-
Northern Natural Gas Co.	16,150	7	0.50	25,093	9	-
Berth Cabinet Mfg, Inc.	11,814	8	0.37	-	-	-
Hunt Wesson, Inc.	3,603	10	0.11	-	-	-
Ferguson Enterprises, Inc.	-	-	-	24,732	10	-
Con Agra	-	-	-	-	-	-
IOC Black Hawk County, Inc.	-	-	-	73,670	3	1.65
Target Corporation	-	-	-	90,338	2	2.03
Qwest Corporation	-	-	-	31,527	6	0.71
GG and A Crossroads Mall, LLC	-	-	-	39,530	5	0.89
R and N Investment Prop, LLC	8,919	9	0.28	-	-	-
Cedar Falls Utilities	-	-	-	50,096	4	1.13
Total	\$ 309,299		10.73%	\$ 570,191		11.69%

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Black Hawk County, Iowa

Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Percentage			Percentage	
		Amount	of Levy		Amount	of Levy
2003	116,820,205	116,641,520	99.85	298,647	116,940,167	100.10
2004	121,510,800	121,323,365	99.85	70,297	121,393,662	99.90
2005	131,390,823	131,207,146	99.86	28,386	131,235,532	99.88
2006	135,805,464	135,584,839	99.84	34,737	135,619,576	99.86
2007	143,359,171	143,096,906	99.82	69,698	143,166,604	99.87
2008	146,299,165	145,909,251	99.73	137,703	146,046,954	99.83
2009	159,054,529	158,537,222	99.67	130,965	158,668,187	99.76
2010	164,871,504	164,582,136	99.82	81,946	164,664,082	99.87
2011	171,020,072	170,018,109	99.41	127,194	170,145,303	99.49
2012	175,786,426	175,378,631	99.77	94,705	175,473,336	99.82

Total tax collection solely for Black Hawk County, Iowa:

2003	22,404,185
2004	23,115,922
2005	23,998,146
2006	24,790,096
2007	25,313,302
2008	25,954,609
2009	27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148

Source: Black Hawk County, Treasurer's Office

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Year Taxes are Payab			
	2003	2004	2005	2006
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.71	1.88	1.75	1.90
MH/DD Service	1.80	1.77	1.66	1.65
Debt Service	0.61	0.59	0.58	0.56
Total Urban County Rate	7.62	7.74	7.49	7.61
Rural Basic	-	-	0.34	0.32
Total Rural County Rate	7.62	7.74	7.83	7.93
City and Town Rates:				
Waterloo	18.37	18.91	18.79	19.16
Cedar Falls	13.65	14.40	13.65	14.05
Dunkerton	11.17	11.59	11.37	11.23
Elk Run Heights	6.50	6.40	6.40	6.30
Evansdale	7.31	7.26	7.50	7.50
Gilbertville	8.10	8.10	9.77	11.33
Hudson	7.63	7.63	9.73	9.73
Janesville	12.78	12.59	13.06	13.18
Jesup	12.31	12.74	12.42	14.50
LaPorte City	11.85	12.12	12.09	12.91
Raymond	6.42	6.42	6.70	6.70
Township Rates:				
Barclay	0.41	0.65	0.66	0.66
Bennington	0.61	0.56	0.58	0.58
Big Creek	0.62	0.59	0.67	0.63
Black Hawk	0.06	0.57	0.54	0.55
Cedar	0.50	0.55	0.58	0.59
Cedar Falls	0.57	0.58	0.58	0.58
Eagle	0.46	0.52	0.52	0.50
East Waterloo	-	-	-	0.15
Fox	0.42	0.41	0.60	0.31
Lester	0.65	0.64	0.69	0.70
Lincoln	0.55	0.54	0.56	0.55
Mt. Vernon	0.39	0.42	0.41	0.41
Orange	0.36	0.39	0.39	0.40
Poyner	0.55	0.61	0.63	0.67
Spring Creek	0.60	0.64	0.71	0.72
Union	0.89	0.67	0.64	0.61
Washington	0.40	0.42	0.41	0.41

(Continued)

Year Taxes are Payable					
2007	2008	2009	2010	2011	2012
3.50	3.50	3.50	3.50	3.50	3.50
1.76	1.77	1.42	1.26	1.39	1.14
1.57	1.55	1.44	1.37	1.34	1.29
0.56	0.58	0.58	0.58	0.44	0.67
7.39	7.41	6.94	6.71	6.67	6.60
0.28	0.25	2.79	2.86	2.88	3.00
7.67	7.66	9.72	9.57	9.55	9.59
18.85	18.77	18.37	18.31	18.26	18.53
13.84	13.61	13.26	13.02	12.99	12.86
11.13	8.45	8.10	8.10	8.43	8.58
6.00	6.00	6.00	6.00	6.01	6.01
6.83	6.75	6.74	6.75	6.88	6.88
11.86	12.46	11.54	11.25	12.27	11.09
9.73	9.73	9.73	9.73	9.73	9.73
12.63	12.50	12.40	12.26	12.08	11.68
13.12	12.62	12.55	13.00	13.95	14.78
15.39	14.91	14.91	14.55	14.54	14.51
6.90	6.90	6.90	6.90	6.90	6.92
0.68	0.46	0.44	0.36	0.34	0.33
0.56	0.56	0.56	0.55	0.55	0.56
0.60	0.61	0.58	0.55	0.57	0.50
0.54	0.54	0.53	0.57	0.57	0.49
0.52	0.53	0.57	0.56	0.58	0.56
0.57	0.58	0.58	0.56	0.56	0.57
0.50	0.55	0.54	0.52	0.47	0.63
0.17	0.17	0.16	0.16	0.16	0.14
0.38	0.39	0.26	0.21	0.26	0.31
0.70	0.70	0.69	0.65	0.69	0.67
0.58	0.59	0.59	0.62	0.61	0.70
0.41	0.41	0.41	0.41	0.41	0.42
0.27	0.28	0.38	0.34	0.35	0.36
0.67	0.67	0.66	0.76	0.66	0.63
0.75	0.76	0.74	0.74	0.69	0.77
0.64	0.63	0.68	0.61	0.68	0.74
0.39	0.35	0.33	0.32	0.36	0.39

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Year Taxes are Payab			
	2003	2004	2005	2006
School District Rates:				
Waterloo	15.52	15.85	15.62	15.99
Cedar Falls	13.95	13.91	13.01	13.03
Dunkerton	12.61	12.58	12.94	14.44
Elk Run Heights	15.52	15.85	15.62	15.99
Evansdale	15.52	15.85	15.62	15.99
Gilbertville	15.52	15.85	15.62	15.99
Hudson	15.61	14.18	15.63	15.11
Janesville	11.00	11.23	11.58	11.84
Jesup	10.70	10.83	11.32	11.37
LaPorte City	11.21	11.50	11.90	11.94
Raymond	15.52	15.85	15.62	15.99
Other:				
State	-	-	-	-
Hawkeye CC - Area VII	0.78	0.75	1.00	1.07
Kirkwood - Area X	0.67	0.68	0.67	0.65
Ag. Extension	0.05	0.05	0.04	0.04
Special Appraiser	0.10	0.08	0.07	0.06
Assessor	0.25	0.26	0.26	0.25

Source: Black Hawk County, Auditor's Office

Year Taxes are Payable					
2007	2008	2009	2010	2011	2012
16.33	16.75	16.66	16.46	16.44	16.28
13.02	13.13	13.73	13.73	14.15	13.79
13.73	14.02	14.10	13.86	15.94	16.00
16.33	16.75	16.66	16.46	16.44	16.28
16.33	16.75	16.66	16.46	16.44	16.28
16.33	16.75	16.66	16.46	16.44	16.28
15.53	15.96	15.98	15.88	16.90	16.89
11.94	11.83	11.82	12.22	11.84	12.33
11.46	11.62	11.76	11.78	11.92	12.94
12.29	12.50	12.68	12.57	12.71	12.70
16.33	16.75	16.66	16.46	16.44	16.28
-	-	-	-	0.00	0.00
1.04	0.83	1.00	0.93	1.00	0.96
0.87	0.86	0.85	0.84	0.93	1.00
0.04	0.08	0.08	0.08	0.08	0.09
0.01	0.03	0.06	0.08	0.09	0.02
0.25	0.24	0.22	0.24	0.22	0.21

Black Hawk County, Iowa

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Obligation Capital Loan Notes			
2003	10,430	1,990	852	-	1,861	15,133	0.45	119.65
2004	11,505	1,850	-	732	1,064	15,151	0.44	120.31
2005	9,725	1,260	333	650	1,025	12,993	0.35	103.06
2006	10,405	1,365	211	565	975	13,521	0.44	107.40
2007	10,155	1,125	108	1,450	920	13,758	0.34	109.10
2008	21,260	1,065	-	1,290	860	24,475	0.57	192.04
2009	22,040	790	58	1,130	-	24,018	0.54	190.46
2010	26,655	505	53	960	-	28,173	0.61	217.93
2011	42,605	420	46	790	-	43,861	0.92	334.59
2012	39,525	1,655	39	610	-	41,829	0.85	317.97

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding		Percentage Actual Taxable Value of Property	Per Capita*
	General Obligation Bonds	Total		
2003	10,430	10,430	0.32	82.46
2004	12,237	12,237	0.38	97.17
2005	10,375	10,375	0.30	82.27
2006	10,970	10,970	0.29	87.14
2007	11,605	11,605	0.29	92.03
2008	22,550	22,550	0.56	176.94
2009	23,170	23,170	0.53	180.53
2010	27,615	27,615	0.60	213.61
2011	43,395	43,395	0.92	331.03
2012	41,790	41,790	0.86	317.68

* Calculated using population figure from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Direct and Overlapping Governmental Activities Debt As of June 30, 2012 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 41,790,000	100.00%	\$ 41,790,000
City debt:			
Cedar Falls	16,660,000	100.00	16,660,000
Dunkerton	1,340,000	100.00	1,340,000
Elk Run Heights	-	100.00	-
Evansdale	2,800,000	100.00	2,800,000
Gilbertville	1,380,000	100.00	1,380,000
Hudson	4,735,000	100.00	4,735,000
Janesville	96,000	18.91	18,154
Jesup	2,840,000	6.74	191,416
LaPorte City	4,020,000	100.00	4,020,000
Raymond	425,000	100.00	425,000
Waterloo	89,070,000	100.00	89,070,000
Subtotal, City debt			120,639,570
School district debt:			
Cedar Falls	-	100.00	-
Denver	315,800	20.77	65,592
Dike-New Hartford	4,250,000	5.15	218,875
Dunkerton	1,925,000	99.37	1,912,873
Gladbrook-Reinbeck	-	7.70	-
Hudson	905,000	100.00	905,000
Janesville	-	48.13	-
Jesup	3,065,000	28.79	882,414
Union (LaPorte City/Dysart)	-	41.35	-
Vinton-Shellsburg	11,585,000	0.04	4,634
Wapsie Valley	6,503,980	5.25	341,459
Waterloo	-	100.00	-
Waverly-Shellrock	21,825,000	0.12	26,190
Subtotal, school district debt			4,357,036
College, Hawkeye Community College	7,450,000	58.68	4,371,660
Total overlapping debt			129,368,265
Total direct and overlapping debt			\$ 171,158,265

Source: Cities and school districts within Black Hawk County

* The overlapping debt percentage is arrived at by first calculating the amount of valuation that exists for each city or school district that is partially or wholly within the County. This is determined by the County Assessor's Office. That valuation figure is then divided by the total for the entire city or school district to determine the percentage that lies within the County. That percentage is then used proportionately to determine the amount of overlapping debt.

Black Hawk County, Iowa

Legal Debt Margin Information

As of June 30, 2012

(dollars in thousands)

(Unaudited)

	2003	2004	2005	2006	2007
Debt limit	\$ 166,911	\$ 170,247	\$ 183,854	\$ 185,562	\$ 183,249
Total net debt applicable to limit	13,272	13,355	12,993	13,521	13,758
Legal debt margin	\$ 153,639	\$ 156,892	\$ 170,861	\$ 172,041	\$ 169,491
Total net debt applicable to the limit as a percentage of debt limi	8.64%	8.51%	7.60%	7.86%	8.12%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$	4,871,360,118
Debt limit (5% of assessed value)		<u>243,568,006</u>
Debt applicable to limit:		
General obligation bonds		40,135,000
General obligation capital loan notes		1,655,000
Capital lease		<u>38,855</u>
Total net applicable to limit		<u>41,828,855</u>
Legal debt margin	\$	<u><u>201,739,151</u></u>

	2008		2009		2010		2011		2012
\$	200,498	\$	217,618	\$	228,340	\$	234,802	\$	243,568
	24,475		24,018		28,173		43,815		41,829
\$	176,023	\$	193,600	\$	200,167	\$	190,987	\$	201,739
	13.90%		12.41%		14.07%		22.94%		20.73%

Black Hawk County, Iowa

Demographic and Economic Statistics Last Ten Calendar Years (Unaudited)

Year	Population ⁵	Personal Income (000s) ¹	Per Capita Personal Income ¹	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ²
2002	126,481	3,398,054	26,866	940	17,354	4.0
2003	125,936	3,467,136	27,531	940	17,404	4.6
2004	125,707	3,752,691	29,853	940	17,437	5.0
2005	125,891	3,878,324	30,807	930	16,920	4.7
2006	126,106	4,014,054	31,528	930	16,431	4.2
2007	127,446	4,194,885	32,915	930	16,334	4.4
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,204	5.5
2010	131,090	4,772,869	36,409	960	17,277	5.9
2011 *	131,549	4,927,957	37,461	960	18,041	5.5

¹ **Source:** Bureau of Economic Analysis, U.S. Dept of Commerce

² **Source:** Iowa Workforce Development website

³ **Source:** USDA National Agricultural Statistics Service

⁴ **Source:** School districts in Black Hawk County

⁵ **Source:** Estimate from U.S. Census Bureau website

* Personal Income was calculated by multiplying per capita income by the population to arrive at total personal income.

Black Hawk County, Iowa

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2003			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	4,850	1	6.83%	5,300	1	7.49%
Wheaton Franciscan Healthcare	2,750	2	3.87	2,680	2	3.79
Tyson Fresh Meats (IBP Inc.)	2,150	3	3.03	2,500	3	3.53
University of Northern Iowa	2,140	4	3.01	1,850	5	2.61
Allen Memorial Hospital	1,510	6	2.13	2,080	4	2.94
Waterloo Public Schools	1,550	5	2.18	1,560	6	2.20
Hy-Vee	905	10	1.27	1,130	8	1.60
Area 267 Education Agency	-	-	-	1,150	7	1.62
Bertch Cabinet Manufacturing Co.	1,370	7	1.93	-	-	-
Target Distribution	-	-	-	850	9	1.20
Omega Cabinets	1,050	8	1.48	-	-	-
GMAC Mortgage	911	9	1.28	805	10	1.14

Sources: Greater Cedar Valley Alliance, Iowa Workforce and Speer Financial, Inc.

Black Hawk County, Iowa

**Full-Time Equivalent County Government Employees by Function /Program
Last Ten Fiscal Years
(Unaudited)**

Function / Program	Fiscal Year			
	2003	2004	2005	2006
Public safety and legal services:				
Sheriff	137.00	137.00	133.90	133.00
Attorney	29.50	28.50	28.50	28.90
Consolidated comm ctr	25.50	26.00	26.00	26.00
District court administration**	1.00	1.00	1.00	1.00
Child support recovery*	12.50	12.50	11.50	8.50
Physical health and social services:				
Health department	92.08	93.15	95.25	88.23
Community services**	7.00	6.00	2.50	2.50
Youth shelter	11.40	10.90	10.00	9.80
Veteran affairs	4.03	4.03	4.03	4.03
Mental health:				
Country View	209.00	191.00	190.00	189.50
C.P.C.**	5.00	5.00	5.50	5.50
County environment and education,				
Conservation	29.34	25.57	25.56	25.54
Roads and transportation, engineer	45.60	43.40	43.40	43.40
Governmental services to residents:				
Treasurer	15.00	13.00	13.00	13.00
Recorder	12.00	11.00	11.00	11.00
Auditor: elections	3.40	3.40	3.40	3.40
Administration:				
Board office	7.20	7.00	7.00	8.00
Auditor	17.80	16.60	16.60	13.00
Treasurer	12.00	11.00	11.00	10.10
Human resources	4.40	4.20	4.20	4.00
Information technology	8.00	8.00	8.00	7.00
Maintenance	22.80	21.80	8.00	7.00
Civil service	1.00	1.00	1.00	1.00
Total	712.55	681.05	660.34	643.67

Note: All figures are from March budget certification for each fiscal year.

Source: Black Hawk County, Auditor's Office

* Contract for Child Support Recovery not renewed

** District Court Admin and C.P.C. now fall under Community Services

Fiscal Year					
2007	2008	2009	2010	2011	2012
134.00	132.00	132.00	134.00	134.00	134.00
28.10	28.90	28.80	29.80	29.80	30.80
26.00	26.00	26.00	26.00	26.00	26.00
-	-	-	-	-	-
-	-	-	-	-	-
89.93	90.43	88.22	89.81	86.15	93.00
11.00	9.00	9.00	9.00	8.00	8.00
11.50	8.80	10.50	11.29	12.84	13.30
4.03	4.03	4.03	4.03	4.03	4.03
190.50	190.50	171.00	181.50	184.00	180.50
-	-	-	-	-	-
28.14	28.84	27.26	26.85	26.29	27.29
43.40	43.40	43.80	43.90	43.90	44.30
12.50	12.50	12.50	12.50	10.50	10.50
11.00	11.00	10.00	10.00	9.00	9.00
3.40	3.40	3.40	3.40	3.60	3.50
8.00	7.50	7.50	7.50	7.50	7.50
13.00	11.00	11.00	11.00	11.00	11.00
10.60	10.60	10.60	10.50	9.00	8.50
4.00	4.00	4.00	4.00	3.00	3.00
7.00	7.00	7.00	7.00	6.00	6.00
6.00	6.00	6.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
643.10	635.90	613.61	630.08	622.61	628.22

Black Hawk County, Iowa

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year			
	2003	2004	2005	2006
Public safety and legal services:				
Sheriff:				
# of civil papers served	16,959	15,930	17,042	17,700
# of arrests made	2,991	2,863	2,914	3,148
# of jail bookings	8,193	8,720	8,349	8,093
# of service calls	9,957	9,829	10,785	12,784
Attorney, # of felonies/aggravated fieldcases filed	1,894	2,006	1,989	2,161
Physical health and social services:				
Health Department:				
# of Success Street visits	3,376	2,875	3,738	2,901
# of environmental inspections	2,788	3,270	2,432	2,621
# of home care aide visits	28,042	24,363	22,544	21,707
# of home care aide clients	481	430	358	300
Community Services, # of people seen	4,643	3,591	1,948	2,258
Youth Shelter, # of kids per year	425	335	206	148
Veteran Affairs, # of new clients per year	239	244	226	256
Mental health:				
Country View, census per year	54,724	52,924	50,874	53,335
C.P.C., # of people seen	4,309	3,615	3,852	5,503
County environment and education conservation:				
Hartman Reserve visitors	55,000	55,000	55,000	55,000
Campers	29,594	28,615	30,663	30,890
Roads and transportation:				
Engineer:				
# of miles of road paved	7	2	10	11
# of bridges/culverts repaired/replaced	10	10	11	14
Governmental services to residents:				
Treasurer, titles issued	39,231	38,600	38,342	38,050
Recorder, documents recorded	39,874	37,981	30,800	30,952
Auditor: Elections:				
# of active voters	70,702	79,141	78,447	77,058
# of inactive voters	10,394	9,750	4,274	5,073
# of absentee ballots	1,841	22,562	1,358	11,002
Administration, maintenance, sq. ft maintained	353,980	353,980	353,980	353,980

Source: County records

Note: Indicators are not available for some departments due to their function.

* Information not available.

Fiscal Year					
2007	2008	2009	2010	2011	2012
16,590	17,971	20,043	19,507	19,905	*
3,035	3,358	3,384	4,449	4,337	*
8,533	8,621	9,157	9,558	9,153	*
9,405	11,945	14,463	14,583	14,047	*
1,949	2,084	1,691	1,716	1,947	1,445
2,719	3,486	3,968	4,031	3,427	3,302
2,442	2,572	2,810	2,600	3,202	2,605
19,556	18,323	15,801	15,122	13,305	10,692
223	231	194	188	206	157
2,566	2,080	2,077	3,057	3,298	3,319
98	152	143	161	173	190
260	284	305	309	258	277
51,790	52,008	56,285	55,382	56,839	57,982
3,730	2,869	2,985	3,250	3,384	3,422
55,000	55,900	56,200	53,290	51,112	51,865
37,910	42,999	41,938	47,333	40,588	43,877
5	7	17	24	9	22
17	17	8	7	12	9
37,150	39,731	41,506	41,447	42,704	42,842
32,158	26,345	25,841	24,771	24,554	24,859
77,058	77,058	86,891	81,464	81,715	78,448
5,073	5,073	5,323	5,934	6,516	5,669
11,002	11,002	23,999	947	15,844	1,501
353,980	353,980	444,393	444,393	444,393	458,633

Black Hawk County, Iowa

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety and legal services:										
Sheriff										
# of patrol cars	18	18	18	18	18	18	19	19	21	21
Physical health and social services:										
Health Department										
# of vehicles	18	18	18	18	17	17	17	17	17	18
County environment and education:										
Conservation										
# of acres managed	8,055	8,055	8,055	8,053	7,990	8,175	8,325	8,325	8,387	8,613
Roads and transportation:										
Engineer:										
# of vehicles	70	71	73	73	74	74	75	74	76	76
# of buildings	14	14	15	15	15	15	16	15	15	15
Administration:										
Maintenance										
# of buildings maintained	4	4	4	4	4	4	6	6	6	9

Source: All statistics from various Black Hawk County, Iowa departments.

Note: Numerous departments do not have capital specific to their area and have, therefore, been eliminated from this exhibit.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through the Iowa Department of Education:			
School Breakfast Program	10.553	67958601	\$ 4,405
National School Lunch Program	10.555	67958601	7,045
Summer School Lunch Program	10.559	67958601	1,616
Passed through the Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5882NU58	37,881
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5881NU58	8,314
			<u>46,195</u>
Passed through the Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	58,294
			<u>104,489</u>
U.S. Department of Housing and Urban Development:			
Passed through the Iowa Department of Human Services:			
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0357-07	15,485
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0498-11	22,364
			<u>37,849</u>
Passed through the Iowa Department of Economic Development:			
Community Development Block Grants/States Program			
Jumpstart Business Rental Assistance	14.228	08-DRB-207	248,587
Jumpstart Residential	14.228	08-DRH-001	122,038
Jumpstart Residential	14.228	08-DRH-201	568,247
Hazard Mitigation (Flood Buyout)	14.228	08-DRHB-213	43,993
Hazard Mitigation (McFarlane Bridge)	14.228	08-DRIEF-262	101,418
			<u>1,084,283</u>
U.S. Department of the Interior:			
Passed through the Iowa Department of Natural Resources:			
North American Wetlands Conservation Act (NAWCA)	15.623	F12AP00110	100,000
Passed through the Governor's Office of Drug Control Policy: and the City of Waterloo			
Project Safe Neighborhoods	16.609	10-PSN-6842	11,317
Project Safe Neighborhoods	16.609	09-ND11	11,027
			<u>22,344</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0999	8,739
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2462	9,755
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.803	09JAG/ARRA-16993C	107,995
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.804	2009-SB-B9-2347	5,010
			<u>131,499</u>
Passed through the Iowa Department of Justice:			
Crime Victim Assistance	16.575	VA-12-76	34,937
Federal Violence Against Women Formula Grants	16.588	VW-12-76	27,862
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0220	\$ 20,660

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Passed through the Iowa Criminal & Juvenile Justice Planning Agency:			
Enforcing Underage Drinking Laws Program	16.727	01-JD10-11F	\$ 1,000
Juvenile Accountability Block Grant	16.548	Casey 11	15,482
U.S. Department of Transportation:			
Passed through the Iowa Dept of Transportation			
Recreational Trails Program	20.219	NRT-NT08-(001)-9G-07	58,874
Highway Planning and Construction Grant	20.205	BROS-COO7(84)-8J-07	217,535
Passed through Iowa Department of Public Safety- Governor's Traffic Safety Division:			
State and Community Highway Safety	20.601	PAP 012-410 TASK 05	12,315
	20.601	PAP 011-410 TASK 05	4,772
			<u>17,087</u>
Passed through the Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5881BT307	491
Public Health Emergency Preparedness	93.069	5882BT07	46,573
			<u>47,064</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2012-TB08	2,955
Childhood Lead Poisoning Prevention Projects	93.070	5882LP01	21,491
Immunization Grants	93.268	5882I406	15,620
Immunization Grants	93.268	5881I406	26,335
			<u>41,955</u>
Centers for Disease Control and Prevention Technical Assistance	93.283	5882HP40	4,000
Centers for Disease Control and Prevention Technical Assistance	93.283	5882NB02	54,498
Centers for Disease Control and Prevention Technical Assistance	93.283	5881NB02	1,120
			<u>59,618</u>
Temporary Assistance for Needy Families	93.558	DCAT2-12-078	27,120
HIV Prevention Activities- Health Department Based	93.940	5881AP26	30,224
HIV Prevention Activities- Health Department Based	93.940	5882AP03	9,036
HIV Prevention Activities- Health Department Based	93.940	5881AP03	7,208
			<u>46,468</u>
Maternal and Child Health Services Block Grant to the States	93.994	5881DH01	3,716
Maternal and Child Health Services Block Grant to the States	93.994	5882DH01	12,200
Maternal and Child Health Services Block Grant to the States	93.994	5882MH03	61,625
Maternal and Child Health Services Block Grant to the States	93.994	5881MH03	30,184
			<u>107,725</u>
Passed through the Iowa Department of Human Services:			
Community Transformation Grant	93.531	5882HP01	\$ 26,054

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778	N/A	\$ 54,742
State Children's Insurance Program	93.767	N/A	202
Child Support	93.563	N/A	10,942
Foster Care - Title IV-E	93.658	N/A	21,278
Refugee and Entrant Assistance	93.566	N/A	103
Adoption Assistance	93.659	N/A	6,198
Child Care Development Fund	93.596	N/A	12,952
Social Services Block Grant	93.667	N/A	18,628
			<u>125,045</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Economic Development:			
Hazard Mitigation Grant	97.039	HMGP-DR-1763-0027-01	3,828
Hazard Mitigation Grant	97.039	HMGP-DR-1763-157-01	74,905
Hazard Mitigation Grant	97.039	HMGP-DR-1763-160-01	3,275
			<u>82,008</u>
Passed through Iowa Disaster Services Division:			
Emergency Management Performance Grants	97.042	FY 11 EMPG	19,500
Emergency Management Performance Grants	97.042	FY 12 EMPG	28,779
			<u>48,279</u>
Passed through the Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance	97.036	FEMA 1763 DR IA	272,284
Disaster Grants - Public Assistance	97.036	PW 9514	115,600
			<u>387,884</u>
Homeland Security Grant Program	97.067	2007-GE-T7-0032-006a	931
Total expenditures of federal awards			<u>\$ 2,911,564</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)
Year Ended June 30, 2012

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Hawk County for the year ended June 30, 2012. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3 - Subrecipients

Of the federal expenditures presented in the schedule, Black Hawk County provided federal awards to subrecipients as follows:

Jumpstart (CDBG)	14.228	\$ 938,872
Federal Recreation Trail Program	20.219	\$ 58,874

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any significant deficiencies in internal control over major programs.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) The County of Black Hawk, Iowa, did not qualify as a low-risk auditee.
- (i) The major programs identified on the Schedule of Expenditures of Federal Awards include:

<u>CFDA #</u>	<u>Program Name</u>
14.228	Community Development Block Grants/States Program
97.036	Disaster Grants – Public Assistance

Part II: Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards-

Instances of Non-compliance:

No matters were reported. There were no prior year audit findings.

MATERIAL WEAKNESS:

II-A-12: Financial Reporting

Observation – During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables and capital asset additions are identified and included in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

Conclusion – Response accepted

Part III: Findings Related to Federal Expenditures

Instances of Non-Compliance:

None Noted

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Part III: Findings Related to Federal Expenditures (Continued)

Significant Deficiencies:

None Noted.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-12** Certified Budget – Disbursements for the year ended June 30, 2012, did not exceed the amounts budgeted in any of the County's functions.
- IV-B-12** Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-12** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-12** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2012.
- IV-E-12** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-F-12** Board Minutes – No transactions were found that we believe should have been approved in the Board Minutes but were not.
- IV-G-12** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2012 for the County Extension Office did not exceed the amount budgeted.
- IV-H-12** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-I-12** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Black Hawk County, Iowa:

Compliance:

We have audited the compliance of BLACK HAWK, IOWA (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Black Hawk County, Iowa's major federal programs are identified in Part I of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance:

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Black Hawk County, Iowa's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

The purpose of this report is to provide an opinion on the County's compliance with the compliance requirements that could have a direct and material effect on each of its major federal programs. The purpose is also to describe the scope of our testing of internal control over compliance with the requirements that could have a direct and material effect on a major federal program, and the result of that testing, but not to provide an opinion on the effectiveness of internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 21, 2012



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Black Hawk County, Iowa

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of BLACK HAWK COUNTY, IOWA, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December --, 2012. We conducted our audit in accordance with U.S generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting:

Management of Black Hawk County, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Black Hawk County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Black Hawk County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Black Hawk County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item II-A-12 to be a material weakness.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether Black Hawk County, Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Black Hawk County, Iowa's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Black Hawk County, Iowa's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Black Hawk County and other parties to whom Black Hawk County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Black Hawk County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 21, 2012